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SUB-SAHARAN AFRICA REPORT

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COMMONWEALTH DEVELOPMENT CORPORATION INVESTMENTS IN SOUTHERN AFRICA DETAILED

Mbabane THE TIMES OF SWAZILAND in English 9 Jun 81 p 4

[Excerpt] IN 1980 CDC's estimated worldwide commitments rose by £80.8m to £516.17m. The Corporation's investment in the Southern Africa Region comprising Swaziland, Botswana and Lesotho, Botswana and Lesotho totalled £46.32m at year-end and its commitments in the region after loan repayments totalled £52.74m. During the year several supplementary investments and further disbursements totalling £4.2m were made to projects in Swaziland, a new loan of £240,000 was made in Lesotho while in Botswana two new loans were concluded for £5.15m.

Poorer countries urgently need investment

1980 saw further escalations in oil prices while returns on many of the commodities exported by developing countries fell to their lowest levels for years. The poorer countries, in which CDC predominantly operates, urgently need investment to escape from this trend,

compounded last year by a series of natural disasters affecting much of Africa and the Caribbean.

How CDC has helped

CDC's new commitments in 1980 of £56.8 million, despite cuts in funding only marginally below 1979's record level of £62.7 million, were for projects which will earn foreign exchange through exports of manufactures and of agricultural products such as coffee, cocoa, sugar, beef, palm oil and rubber. Those producing cement, textiles, cooking oil and dairy products for domestic consumption will conserve foreign exchange. Some, like further support for CDC's agricultural management centre in Swaziland and a number of business hotels, will assist development generally, whilst support for clean water supplies and housing will directly improve living conditions.

Even more importantly, the concept of developing renewable natural resources, long applied by CDC to agriculture, has been extended to energy resources. New commitments covered expansion of electricity generation in six countries, mostly from hydro and geothermal sources so as to reduce dependence on imported oil.

Altogether there were new commitments to 31

projects, with 80% going to the poorer countries, bringing total estimated commitments at year-end to £516.17 million. These included the first commitment to Honduras. Three new countries - Bangladesh, Zimbabwe and, within specified limits, Sri Lanka - brought the total in which CDC is empowered to operate to over 60.

Harvesting British expertise and resources

The profitability of CDC's projects depends in the first instance on the technical competence and experience of the Corporation's own agriculturists, foresters, financial analysts and economists. They are also able to call on retained consultants and on a 10-member panel of eminent agricultural scientists who are worldwide authorities in their disciplines. Both directly and through them, close liaison is maintained with research institutes as well as with the Government's Land Resources Development Centre and the Tropical Products Institute. There is a close and continuing co-operation with the Overseas Development Administration (ODA) both overseas and at home.

CDC again approved investments alongside British companies in a number of important

projects. By doing so it contributes, consistent with its development objectives, not only money but the knowledge and experience it has gained of the countries concerned. It was also again able to ensure that British exporters of goods and services had a fair chance of tendering on other projects it financed. In consultation with the Department of Trade, communications with British industry are being further improved to highlight the transfer of British technical resources.

CDC itself is an important part of that transfer. Unique among development agencies it provides management from its own staff for some of the projects in which it invests, so that about one-third of total investment is in directly-managed projects. Such involvement has enabled CDC directly to train nationals of host countries and to advance them to the full extent of their potential. Success in financial and human terms has earned CDC a reputation both in developing countries and among international institutions as an effective and practical agency for development.

Operational results

CDC's 250 established projects, operating in 47 countries, experienced a wide variety of mainly adverse factors. Lower

commodity prices and depressed local demand made trading conditions much less favourable. The fragile economies of the small Eastern Caribbean islands and Jamaica, and of Ghana, Tanzania, Uganda and Zambia, presented particular problems affecting the operation and profitability of some projects as well as the capacity to service foreign capital. Despite this, the majority of projects made very substantial contributions to economic growth and to the balance of payments of host countries.

The wide spread of the Corporation's investments has provided some protection against these difficult conditions. Even so, the strength of sterling had the effect of reducing CDC's income earned in foreign currencies as well as causing difficulties for projects with sterling loan obligations. In these circumstances it was not unsatisfactory that income derived from interest, dividends and service fees was sufficient not only to meet operational costs, the servicing of borrowed capital, taxation around the world and provisions

CDC supervises and monitors its investments through sixteen overseas offices. That in Fiji became a Regional Office on 1.2.80 when it took over responsibility for the Pacific Islands from the Regional Office in Singapore. CDC's Regional Office for Southern Africa was moved from Johannesburg to Mbabane and its Malawi Office from Blantyre to Lilongwe.

CSO: 4700/100

DEVELOPMENT OFFICIAL ON ECONOMIC CENTRALISM-AUTONOMY RELATION

Luanda JORNAL DE ANGOLA in Portuguese 15 May 81 p 4

[Interview with Roberto de Almeida, secretary of the Central Committee for the Department of Economic and Social Development, on National Radio of Angola, date not given]

[Excerpts] Roberto de Almeida, secretary of the Central Committee for the Department of Economic and Social Affairs, granted an interview to the Azimute Program on National Radio of Angola during which he took up various matters related to the country's economic and social situation.

Given its importance, we are publishing a transcript of that interview.

Roberto de Almeida Interview

Question: From what can be ascertained of our current economic situation, most of the circumstances that have a negative effect on the operation of the state productive machinery and the national economic structure overall are related to the unsatisfactory performance of the nation's import sector.

Thus there is general complaint about the shortages of this raw material or that product, and they are blamed for the various failures to meet the stipulated plans.

To what extent can the failures be attributed to the situation in the import sector, at the level of the plan and the Foreign Trade Ministry?

What is the other side of the issue of supplying the industrial sector?

Answer: The existing problems in the import sector must be examined as a whole, because a combination of factors and circumstances have led to the bottlenecks and difficulties we have observed in the sector. In the first place, as one reason for these difficulties, we can point out that most of our industrial units and production centers depend on imports to operate because of the low

domestic production that naturally affects all these productive sectors. Moreover, the country's port structure is inadequate to handle the large volume of imports to which the country must still resort now.

To solve the port problem, which is a cyclical problem, various measures have been recommended, but I do not believe they have all been applied to date. As is known, at one point a state of emergency was declared for the ports, and several agencies were instructed to assign personnel to conduct certain continuing activities at our port. All these actions have not been taken. There are organs such as the Operative Council of the Port, which meets, but the meetings have not been attended by all the agencies that should really be collaborating on this council, resulting in various problems.

As soon as all the agencies are made more aware of the real need for effective and continuing assistance to all activities involved in the port sector, we will be able to improve activity at our port substantially and bring an end to the bottlenecks that are a normal occurrence, or at least to reduce them greatly. Finally, I would point to our shortcomings in the management of supplies and stocks of raw materials. At various production units and work centers, we do not have enough qualified personnel to ascertain the average consumption levels of each unit in each enterprise, which would make it possible for us to resort to imports at the most opportune moment, before any disruptions in production occur. There are also problems with the management of imports, with the way we conduct imports. As you know, we have to resort to shipping on foreign vessels, which often fail to meet the provisions of the contracts. A certain product which should arrive in the country at a particular time arrives late. Sometimes the product arrives on time, but in poor condition; that is, it may arrive here spoiled because it has spent too much time aboard ship. Even after the ship arrives, it may spend some times offshore. Obviously, all these problems are generally reflected in the activities of our enterprises and the activities of agencies directly involved with imports, but we can say that the supply problem in the industrial sector is closely linked to our agricultural development. When our agriculture is sufficiently developed, we will be able to guarantee a large part of the supplies essential to the industrial sector.

Question: The dialectic that should exist between the centralized and planned direction of the economy and the principle of decentralization and autonomy, specifically provided in Law 17/77, has never been correctly understood.

First of all, we would like you to explain, on a more theoretical level, how the economic centralism/autonomy relationship is handled within our system of economic direction.

Second, bearing in mind a certain concern manifested by the state economic units regarding the execution of the Exchange Budget, we would like you to address the question of autonomy at this level. (For example, as far as execution of the Exchange Budget is concerned, is a company like SONANGOL [National Angolan Fuel Company] at the same level as a bakery; that is, must it go through the same channels to conduct its foreign operations?)

Answer: There is a principle that governs our economy, that we must rely on and accept on the evidence, because it is really the principle that guides the political and economic life of our country.

There can be no socialism without planning, and although we are virtually novices in matters of planning and are not very experienced or qualified, nonetheless we have achieved some success in the area of planning. From our recent experience and the development of planning activity in our country, we can say we are optimistic about improving our country's planning activity. There are some problems resulting from lack of understanding, but I must point out that we are gaining more and more understanding at this time. Until a short time ago, there were various sectors that did not understand the great necessity for centralized planning, and we witnessed some lack of discipline and anarchy in terms of compliance with the methodology established by the economic leadership, the agencies that direct the nation's economy. These attitudes are disappearing, however, and the sectors are beginning to be aware that in economic matters there are precise laws that must be obeyed, because otherwise the country will feel the effects and will suffer from the lack of coordination among various activities contributing to the same goal. Up to now, there has been no very strict sense of control. We could even say there has been no general acceptance by various agencies of this control, which must be exercised not only by the party but also by the organs of government.

The national plan, a basic instrument of economic development, also exacts some demands. In the first place, the national plan is an imperative instrument; one of its characteristics is that it is imperative. That is, once approved, the national plan must be strictly executed, and when this is impossible there must be some justification. There must be discussion to analyze the reasons for any failures that may arise in its execution. As is understood, the plan is a mobilizing instrument when it is sufficiently explained and understood by the workers. It is a stimulus; it is an instrument that brings the workers themselves to make greater efforts to carry it out.

Regarding the example you gave, in the question about autonomy, I must say I think this example was not a very happy choice. In the first place, the activity of a bakery, for example, is geared to domestic production, although that production must naturally resort to importation for raw materials, wheat flour and even various equipment. In a strategic enterprise, a company like DIAMANG or SINANGOL, the activity is foreign-oriented, since their products are among the basic products we export, that the country exports, and that, naturally, bring in the revenues the country needs for its development and even for the defense effort our country has been engaged in. Starting with this difference, we see that there is a certain flexibility in the Exchange Budget for production units according to their importance and place in our country's general economic situation.

I must add that despite this--and I believe this is also at the bottom of some misunderstandings--some directors, some managers of important companies in our country, sometimes assume a biased attitude. We could say they have inherited, to some degree, the mentality of the former companies that constituted a state

unto themselves. This is reflected in the way they manage company funds, with unnecessary expenditures and often without the sense of austerity that should guide the economic life of the country. So I think that behind this attitude, this behavior, there is also a narrow vision. They start from the principle, the reasoning that--"Well, I belong to the diamond sector" (or the coffee sector or whatever--any of the country's major products). "This sector, my sector" (it is usually thought of in these terms). "my sector brings in most of the country's foreign exchange revenues, and so most of these revenues should come to my sector." In other words, they don't consider the economic development of the country as a whole and proceed from a narrow sectorial point of view, which is quite damaging to our country.

6162

CSO: 4401/284

AGREEMENT WITH ALGERIA IN INDUSTRIAL FIELD

Luanda JORNAL DE ANGOLA in Portuguese 30 May 81 p 1

[Article by D.E.]

[Text] The People's Republic of Angola and the Democratic and Popular Republic of Algeria made a verbal agreement yesterday evening, at the end of a visit by an Algerian delegation led by Mohamed Liassine, minister of heavy industry. The delegation has been in the country since Tuesday.

The verbal agreement, to which Bento Ribeiro and Liassine were signatories--provides for the exchange of experiences, information and documents pertaining to industrial development, mainly in mechanical and metal construction, steel, mining and geology.

Regarding the mechanical industries, the Algerian party said it was prepared to assist in completing the ENACMA vehicle assembly project.

During its stay, the Algerian delegation paid signal honor to our late beloved President Agostinho Neto, immortal guide of the Angolan revolution. Speaking for the Algerian people, party and government, Mohamed Liassine expressed their wish to contribute steadfastly to enriching and strengthening the Angolan economy. In this context, the Algerian delegates visited Lunda Norte and Benguela provinces, where they toured DIAMANG [Angola Diamond Company] and SOREFAME.

The main purpose of the visits was to enable the Algerian delegation to inform itself of the problems in heavy industry in our country and hence to help solve them through bilateral cooperation accords.

During the discussions, the Angolan delegation led by Bento Ribeiro informed its Algerian counterpart of some products of our industrial sector that might be of interest to the Algerian market, specifically, black granite, rock crystal and such industrial minerals as talc, kaolin and clay.

In turn, the Algerian delegation noted some industrial products that might be of equal interest to the Angolan market, such as valves, sanitary products, maintenance equipment and zinc plate.

The Algerian delegation will leave Luanda today to return to its country.

6362

CSO: 4728/4

DEPARTING SOVIET PHYSICIANS PRAISED FOR SELFLESSNESS

Luanda JORNAL DE ANGOLA in Portuguese 31 May 81 pp 1, 2

[Report by correspondent A.A.]

[Text] Mocamedes--A group of Soviet physicians which has spent about 2 years in internationalist service in this province was honored last Thursday in a ceremony at the provincial party committee [CPP] headquarters. The ceremony was presided over by Roque Manuel, assistant coordinator of the CPP.

Expressing some thoughts on that occasion, the party leader praised the qualities demonstrated by the Soviet physicians during their stay in this province, noting that they were here because of the ties of friendship between Angola's MPLA-Labor Party and the CPSU.

At another point, Roque Tchiendo noted that the award of certificates of merit for the abnegation and spirit of sacrifice with which they have performed their tasks in the health field reflects the degree of conscience and internationalist spirit demonstrated by this group of doctors, who contributed decisively to improving the health facilities of the Ngola Kimbanda Hospital and also provided Angolan cadres with further medical knowledge, to meet the continuing needs of the Angolan people.

At present, Mocamedes has virtually no physicians, particularly in surgery, in which Doctor Anatoly and his team performed work which has earned great praise and the admiration of the popular masses.

In fact, with his revolutionary spirit, the surgeon won the hearts of the people in this province by his extreme dedication, competence and simple understanding of the popular masses. Doctor Anatoly always had the time to lend a helping hand. He was always ready to save our people's lives.

Blind Recover Sight

Some 41 blind people--26 in 1981 [sic] and the rest this year--recovered their sight through eye surgery at the hospital in the city of Mocamedes.

According to the Soviet ophthalmologist serving as a cooperant at the hospital, the blindness was in many cases caused by excessive tension in the eyes of some individuals and by "cataracts" associated with aging.

6362

CSO: 4728/4

BRIEFS

CABINDA BLOWOUT--An offshore rig on the Cabinda coast sank as it was test drilling for natural gas. No lives were lost. According to a note from the press service of SONANGOL [National Angolan Fuel Co], the accident occurred at 0500 hours on 24 May, when a test core was extracted from a depth of 750 meters, producing a gas eruption (blowout), technically impossible to control. The crew was evacuated when it was ascertained there was a risk of contamination from inhaled gas as a result of the blowout. No men were injured. Every effort was made to control the well, including dispatch of a ship especially equipped for this type of operation to the site. Despite exhaustive efforts, the note stresses, rig SEDCO-250 sank yesterday at 1330 hours. The gas flow is light and all efforts are continuing to cap the well. There is no danger of pollution to the coast. According to the same source: "There are plans to drill a directional bore, through which an attempt will be made to cement the gas-producing formation, controlling the eruption in this way." [Text] [Luanda JORNAL DE ANGOLA in Portuguese 2 Jun 81 pp 1, 2] 6362

UN REFUGEE ASSISTANCE--The UN High Commission for Refugees has approved an extraordinary program, amounting to about \$21 million (630 million kwanzas), for the People's Republic of Angola for 1982. The sum was approved during a conference on aid to African refugees held last April in Geneva, Switzerland. It is outside the regular annual program for Angola, which receives about \$7 million (210 million kwanzas) annually. Meanwhile, the UN High Commission for Refugees is currently studying the matter of special aid to displaced Angolans from Huambo, Bie and Kuando-Kubango provinces, ANGOP learned from Mendiluce Pereiro, director of that UN agency aid program in Angola. "There are currently about 75,000 refugees in Angola, including 50,000 Namibians, 20,000 Zairians and 5,000 South Africans," Pereiro reported, adding that "the number of Zairian refugees is smaller than it was in 1979, while the number of Namibian refugees has risen." The UN High Commission provides aid to refugees in two phases. The first is emergency aid (food, medical assistance and medicines, clothing and building material) and the second is resettlement aid (assistance in establishing production cooperatives). [Text] [Luanda JORNAL DE ANGOLA in Portuguese 2 Jun 81 p 2] 6362

FISHERIES DELEGATION TO USSR--A Fishing Ministry delegation led by Minister Emilio Guerra left Luanda yesterday for the Soviet Union, where it will take part in the proceedings of the Fifth Session of the Joint Angolan-Soviet Commission. The agenda will include an analysis of the implementation of accords between the two countries for the fishing industry, cadre training, cooperatives, studies and protocols for a mission of Soviet specialists to Angola. The Angolan delegation, which is scheduled to return on 10 June, includes the directors and department chiefs of the Ministry of Fishing. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 30 May 81 p 2] 6362

RETAIL TRADE INCREASE PLANS--Retail trade in merchandise obtained with foreign exchange reserves available for imports of foodstuffs, manufactured goods and domestic commercial production materials is set at 49.3 million kwanzas this year, according to the national plan statement approved by the People's Assembly in legislative session last March. The figure represents a 10-percent increase over 1980. Retail trade will increase by 2 percent this year for foodstuffs, 33 percent for health and hygiene products and 247 percent for clothing and shoes. The figure does not include bread, beverages and public dining. A significant sum is planned for rural retail sales of manufactured goods, in implementation of the resolutions of the First Extraordinary Party Congress regarding the need to improve the supply of manufactured goods to the rural population and to expand purchases of agricultural products from the peasants. This year it is also intended to expand the network of retail stores and to improve organization of the distribution of goods and foodstuffs to commercial units, with increased control over the distribution of consumer goods through this network. Some 1,368,000 kwanzas in investments, 48 percent of this in foreign exchange, are allocated to develop the technical-material base for commerce and service industries, including the hotel industry and the network of public restaurants. Included in this figure is the execution of the master plan for the hotel and tourist industries: studies and projects for warehousing, continuation of construction of the packaging center and ENSUL warehouses, and rehabilitation of the food-processing plants in Luanda and Lobito. [Excerpta] [Luanda JORNAL DE ANGOLA in Portuguese 30 May 81 p 1] 6362

PORTUGUESE COMMUNIST YOUTH DELEGATION--A Portuguese Communist Youth (JCP) delegation, led by Horacio Rufino, arrived in our country on Tuesday for a 6-day visit. Yesterday the delegation met with Bornito de Sousa, national first secretary of the JMPLA-Party Youth. During the meeting, the two delegations exchanged experiences in several areas. They also analyzed the current status of relations between the two organizations, and pronounced them to be strong. Tuesday, Rufino, who is a member of the PCP [Portuguese Communist Party] and executive secretary of the JCP, said he was very pleased to be in the country of Agostinho Neto and to be able to hold discussions with the JMPLA-Party Youth, "a revolutionary detachment engaged in the struggle against imperialism and for production and education." The Portuguese youth delegation, which was welcomed at the 4 February International Airport by Bornito de Sousa, also includes Teresa Conde and Francisco Venancio, both members of the JCP Central Committee. The schedule arranged by the JMPLA-Party Youth provides for a meeting with Afonso Van-Dunem, secretary of the Central Committee for foreign relations, discussions with youth leaders, visits to Huambo and Bie provinces and meetings with representatives of FRETILIN and SWAPO youth organizations. A delegation of the Agostinho Neto Pioneers Organization, led by Celestino Vicente, left Luanda on Tuesday for Cuba and Cape Verde. The visits are within the framework of strengthening the ties of friendship and cooperation between the Agostinho Neto Pioneers Organization and the organizations of the two friendly countries. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 14 May 81 p 2] 6362

MISSILE SITES--Angolan anti-aircraft forces have four sites for launching surface-to-air missiles. Out of these, one is in Luanda and one in Lubango. [Text] [Paris AFRIQUE DEFENSE in French Jun 81 p 29]

PRESIDENT DISCUSSES QUESTION OF FRENCH MILITARY PRESENCE

Brassaville BULLETIN QUOTIDIEN in French 4 Jun 81 p 3C

[Text] Bangui, 6 Jun--On Thursday, Central African Chief of State David Dacko brought up the question of the French military presence in Central Africa on the occasion of a technical stop in Bangui by Zairian President Mobutu Sese Seko.

The president told Radio Bangui that the presence of French soldiers was linked to defense agreements signed in 1960 between France and the Central African Republic.

It is estimated that the Barracuda force stationed in the country since the fall of the empire on 20 September 1979 numbers nearly 1,800 men. Negotiations are planned concerning the subject between France and the Central African Republic.

In order to reassure public opinion about the situation that might be created by a future withdrawal of French troops, the Central African president said that he was "not at all worried because our armed forces have been retrained and equipped." He then went on to speak about relations between the Central African Republic and the new French Government, which, in his opinion, have been good since 1957.

"Since that time, we have appreciated our cooperation with the 'socialists'," the Central African chief of state said.

He thanked outgoing President Valery Giscard d'Estaing for having fulfilled the wish of all Central Africans, that of ridding the country of former emperor Bokassa.

Concerning democratization, he said that "whether they like it or not, Central Africans will return to democracy in 5 or 10 years." Finally, he denounced the lack of understanding of his opponents. According to Dacko, this lack of understanding stems from "their failure in the last presidential elections. We must do everything possible to restore their calm," the Central African chief of state concluded. (ACI)

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CSO: 4719/47

PRESIDENT CONTINUES TOUR OF CUVETTE REGION

Brazzaville ETUMBA in French 13 Jun 81 p 1

[Text] The chief of state's tour continues in the vast Cuvette region. In his constant concern to apply one of the major principles of participatory democracy, to wit, direct contact with the masses, the president has been visiting with the rank and file since 26 May. For our country's political leaders in general and President Denis Sassou-Nguesso in particular, it is a question of living the people's problems, of evaluating them, of recruiting and organizing the people in social practices.

Thousands of Congolese are involved in these practices every day: in the factories, the schools, the barracks, the fields, and so on, trying to win from nature the things we need to ensure both reproduction and social existence.

That is why, in the Plateaux and the Cuvette region, the leader of the revolution has gone on foot or by car to the districts and administrative control posts (PCA) to assure the peasant masses of the determination of the PCT [Congolese Labor Party] (relying on our own forces, our tireless and organized work, above all) to build a new, socialist Congo.

It goes without saying that the struggle to pull the Congo out of the state of socioeconomic backwardness left by colonialism -- backwardness that would perpetuate imperialism -- depends on the mobilization and commitment of all national forces in the struggle. The Congolese peasantry, the largest social class, will, when better educated and organized, contribute effectively, alongside the working class, to the fight for the economic liberation of our country.

This is the meaning of the long visit by the man of the masses to the people of the Plateaux and the Cuvette region (whose main events will be reported to us by special correspondent Noel Oke-Mbouala).

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CSO: 4719/48

GOVERNMENT CONDEMNS ACTION OF ISRAEL AGAINST IRAQ

Brazzaville ETUMBA in French 13 Jun 81 p 8

[Text] On Sunday, 7 June 1981, Israeli planes bombed a Iraqi nuclear powerplant located not far from the capital city Baghdad, causing major material damage and human losses.

This news, announced at the outset by press agencies, was quickly confirmed by official sources in Tel-Aviv.

Because it flouts international laws and regulations on noninterference and violates respect for territorial integrity and sovereignty, this act of violence is more than an act of aggression. It is an act of barbarism characteristic of the policy of continuing aggression followed by Israel for years.

This odious act, which has provoked the indignation and consternation of all peoples enamored of peace and freedom, further complicates an already explosive situation in the region, with the thorny Palestinian problem and the bloody events in Lebanon.

The Congolese Government remains attached to the fundamental principles of the Congolese Labor Party with respect to foreign policy: the fight against imperialism, colonialism and neocolonialism; the fight against racial discrimination and all forms of oppression; unconditional support for just causes; multifaceted, internationalist aid to the true national liberation movements; a policy of independence, good neighborliness and African solidarity; and the attachment to peace, freedom and the principles and ideals defined by the movement of nonaligned countries within the framework and charters of the OAU and the United Nations.

Faithful to these guiding principles, the Congolese people have always denounced and vigorously condemned for over 10 years the Zionist Israeli Government in its imperialist acts of aggression aimed at neighboring countries and especially its inhuman and tyrannical practices of occupying Palestinian territory.

That is why the Congolese Government once more condemns, with the same vigor, the loathsome attack perpetrated by Israeli planes, in flagrant violation of the sacred principles of the movement of nonaligned countries and the ideals contained in the UN Charter.

The government of the People's Republic of the Congo shares in the misfortune that has unjustly stricken the friendly Iraqi Government and once again expresses to the people of Iraq the feelings of friendship and solidarity of the Congolese people. "The government of the People's Republic of the Congo reiterates its unwaivering support for the courageous Palestinian people, whose right to pursue their fight to regain all their occupied lands, under the far-sighted leadership of the PLO, their sole, authentic representative, the Congo supports."

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BRIEFS

ROAD FINANCING AGREEMENTS--Owando-- On Tuesday in Owando, Minister of Finance Itihi Onsetoumba Lekoundzou signed two financing agreements for the completion of road work. The first agreement, for 35 billion CFA francs, was signed with the French public works company Marcel Ducier, which is to pave National Road No 2 from Owando to Makoua to Ouesso. Work is to begin in January 1982 and will take 5 years. Ducier will begin studies, the shipping of equipment and the setting up of bases on 25 June 1981. The Owando-Makoua-Ouesso section is 310 kilometers long and this financing also includes construction of bridges on the Kouyou, Likouala, Mambili and Lengue rivers. The second agreement, for 200 million CFA francs, was signed with the French enterprise FPIE-Batignoles [expansion unknown], for the completion of studies for asphaltting of the Kouilou bend. This is the Bas-Kouilou, Madingou Kayes, Nkola Kaka-Moeka Sunda and Makola road. (ACI) [Text] [Brazzaville BULLETIN QUOTIDIEN in French 6 Jun 81 p A2] 11,464

CSO: 4719/47

OFFICIALS EXPRESS VIEWS ON NATION'S OIL FUTURE

Libreville L'UNION in French 27 May 81 p 7

[Article by Mualabu Mussamba]

[Text] The oil future of Gabon is of concern to three important individuals involved in oil exploitation in our country. They are Minister of State for Mines, Energy and Hydraulic Resources Edouard-Alexis Mbouy-Boutzit; the president and general director of the National ELF [Gasoline and Lubricants Company of France] Aquitaine company, Albin Chalandon; and the president and general director of ELF Gabon, Andre Tarallo.

Fifty Percent of the Area Unexplored

In the view of the minister, no one is in a position to say exactly when the oil in our country will be exhausted. At the present time, he said, it is estimated that more than 50 percent of the zones likely to contain oil resources remain as yet unexplored. He stated that there is an oil potential in a zone 200 km inland from the coast and running the length of the Gabonese shoreline.

At present, 25 prospecting companies are at work and are investing \$150 million annually. It was recalled that between 1973 and 1979, 121 wells were drilled, as compared to 402 since the beginning of oil exploration in 1934. New discoveries, the minister explained, should make it possible to offset the exhaustion of other deposits. Gabon still has some future oil exploitation projects, provided, of course, that studies are pursued with increasingly sophisticated means, despite the fact that the geological structure of Gabon is regarded as one of the most complex in the world.

In recent months, the minister announced, three new discoveries have been made: they are the departments in M'Polunie, M'Wengui and Baudroie Nord. This last-mentioned deposit appears very encouraging and will probably be developed this year.

Two Zones Focus of Attention

The probability of discovery, the minister added, is very good. Two zones still relatively unexplored are a particular focus of attention: the region located to the north of the Port-Gentil parallel, and above all, the southern part of Gabon.

On the subject of the diversification of Gabon's oil partners, he said that new companies have recently begun operation in Gabon. Amoco has become an operator on

share contract with Inguissi Marin, holding 50 percent of the shares. Four new companies representing three nations have also joined with Acorn (44 percent) and Burmah (12 percent, operator) in the Sette-Cama-Mayumba share contract, each with 11 percent of the shares: they are Huidbay, Norcen (Canada), Neste Oy (Finland) and Omu (Austria).

In the next few years (1980-1982), the oil sector should benefit from more than 200 billion in investments in the three-year period, of which 126 billion will be spent on the oil companies' general development expenses (49 billion in 1981), while 93 billion will go for drilling and exploitation expenditures.

The minister recalled that in 1979, exploitation expenditures came to 28.935 million (25.068 million in the zone where ELF Gabon is the operator, and 3.867 million in the zone where Shell Gabon is the operator), and production investments came to 30.536 million (17.407 million in the zone where ELF Gabon is the operator, and 13.129 million in the zone where Shell Gabon is the operator). In 1980, the prospecting expenditures of ELF Gabon came to more than 30 million.

Estimates call for a regular base of 7 percent of the oil production per year, which would thus increase from 10.6 million tons in 1978 and 9.8 million tons in 1979 (more than 12 million tons in 1975, 1976 and 1977) to 9 million tons in 1980, 8.3 million in 1981 and 7.9 million in 1982 (a little less than 7 million in 1984).

On the basis of estimates of current reserves and failing new discoveries, production could be maintained at these levels for more than 10 years: 1984/1994.

Views of Albin Chalandon

Albin Chalandon, president and general director of ELF Aquitaine, a national company, said that "we knew that production was beginning to drop off, that it was even in danger of declining rapidly, but we did not despair in view of the fact that the exploration of the country was far from completed." He explained that the processing effort that his group is undertaking in Gabon is likely to be greater than in any other country, except France. It is proving profitable, because a whole series of discoveries has been made, although small.

He said that the southern part of Gabon is proving to be an oil region, although the exploitation conditions appear to be very difficult from a technical point of view, because in particular of the low productivity of the reserves.

Where marine technology is concerned, the work of proving the production potential for each of the submarine wells is being actively pursued at the Grondin experimental station. The efficiency and reliability of the remote control systems have been proven.

The methods of operation without using a diver have been successfully tested by means of an unmanned submarine equipped with a manipulating arm used at the station, and a remote control apparatus (TIM) operated on the surface, which proved operational in a reservoir before being sent to Gabon early in 1981.

Views of Andre Tarallo

Andre Tarallo, president and general director of ELF Gabon, announced an investment program of 350 billion CFA francs, designed to reach and exceed the 10 million tons per year mark by 1985.

The investment program for 1981-1985 as a whole calls for a very major prospecting effort: about 25 billion CFA francs annually to pursue prospecting and to find new reserves by 1985. For development, an investment of 250 billion francs is planned, and given a relatively optimistic hypothesis, it will be necessary to add some 100 billion CFA francs for other wells, making a total of 350 billion CFA francs in all.

On the subject of the fields in the south, Andre Tarallo emphasized that his company has installed three platforms there. A fourth will be installed by the end of 1981 for the operations of assessing deposits which require limited development. He confirmed that there is a great deal of oil in this region, but it is necessary to establish that the wells can produce 100 cubic meters a day at a maximum, the profitability threshold to justify the investment cost. Several billion CFA francs will be allocated solely for the drilling work.

In the view of Mr Tarallo, the overall investment will come to about 100 billion CFA francs if the zones in which wells with good production can be drilled are limited. This is what is called the "little south Gabon." On the other hand, "if we discover a 'greater south Gabon,' it will be necessary to plan on about 250 billion CFA francs, perhaps even more. It is not yet possible to assess the reserves overall."

ELF Gabon has already discovered 20 to 30 million tons of reserves. This oil accumulation is perhaps the largest in the region. We should be able to count on 700,000 tons per year in the south by 1982.

But what will be the development of production between now and 1985 in the fields in the south?

The president and general director of ELF Gabon said that production has already begun. The quality of the oil is good, with a low sulfur content, a good crude oil. A tanker standing off Mayumba in the southern part of Gabon transports the oil to Port-Gentil, where it discharges it at the Cape Lopez terminal, and then returns. The round trip takes a period of two days.

The company will establish a permanent installation for loading crude oil when production estimates and locations have been completed. The most important thing is to establish the best location for the wells. Production will reach 200,000 tons in 1981 and 600,000 to 700,000 tons beginning in 1982. This will begin to provide substantial compensation for the decline at the other fields.

Thus the year 1982 will be a real turning point for ELF Gabon. The goal is to achieve production of two to three million from the southern fields by 1986, in order to regain an overall production level in excess of eight million tons.

JOINT COMMUNIQUE ISSUED ON SENEGALESE PRESIDENT'S VISIT

Libreville L'UNION in French 29 May 81 p 3

[Text] In response to an invitation from the president of the Republic of Gabon, chief of state, secretary general and founder of the Gabonese Democratic Party, and Mrs El Hadj Omar Bongo, the president of the Republic of Senegal and Mrs Abdou Diouf paid a friendly and working visit to Gabon between 25 and 27 May 1981.

The Senegalese chief of state was accompanied by a sizable delegation, including Jean Collin, minister of state and secretary general of the presidency of the republic; Moustapha Niasse, minister of state for foreign affairs; Abdel Kader Fall, minister of education; Alioune Diagne, minister of public offices, work and employment; Amadou Belal Ly, the Senegalese ambassador to Gabon; as well as a number of other high officials.

The personal prestige of President Abdou Diouf, the firm friendship linking him with his friend and brother, President El Hadj Omar Bongo, as well as the privileged nature of the relations existing between the brotherly Senegalese peoples because of their devotion to the same ideals of peace, justice and democracy, earned the Senegalese chief of state, his wife and the delegation accompanying them a spontaneous welcome which was particularly warm and enthusiastic.

During his stay, the president of the Republic of Senegal expressed admiration for the tireless efforts undertaken on a grand scale in development and modernization by the renewal government, as well as the successes, both foreign and domestic, achieved by Gabon under the enlightened leadership of His Excellency El Hadj Omar Bongo in all realms, political, economic, cultural and social included.

The Gabonese chief of state, for his part, voiced warm praise to President Abdou Diouf for his determination in the national construction effort and the pursuit of the policy of democratization undertaken in his country.

During the talks, the Gabonese chief of state was accompanied by officials including Georges Rawiri, first vice-prime minister and minister of transport and merchant marine; Martin Bongo, minister of foreign affairs and cooperation; Rene Radembino-Coniquet, minister of state and secretary general of the presidency of the republic; Jules Bourdes-Ogouliguende, minister of state for civil service, labor and employment; Jacques Libizangomo-Joumas, minister of higher education, scientific research and environmental protection; Etienne Moussirou, minister of commerce, industrial development and promotion of small businesses; Dominique Boungouere, minister of

national education; Sylvestre Ratanga, ambassador and secretary general of the Ministry of Foreign Affairs and Cooperation; Jean-Baptiste Mbatchi, Gabonese ambassador to Senegal; Jean-Felix Adande, ambassador and adviser of the president of the republic to the minister of foreign affairs and cooperation; as well as a number of other high officials.

In the course of this visit, the Senegalese chief of state and the president of the Gabonese republic had a number of talks followed by working sessions including the two delegations.

On this occasion, the two parties undertook a broad exchange of views on various aspects of the bilateral cooperation undertaken by Gabon and Senegal, as well as the major political and economic problems characterizing the current African and international situations.

In this connection, the two chiefs of state expressed their satisfaction with the positive development of this cooperation in all sectors, and they decided to strengthen their policy of friendly agreement.

In this same spirit, the next session of the greater mixed Gabonese-Senegalese co-operation commission, scheduled to be held in Libreville in the month of September 1981, will be yet another opportunity to review the possibilities for expanding and updating bilateral cooperation on the basis of the urgent requirements of development in the two countries.

In discussing the current political situation in Africa, the two chiefs of state discussed, among other things, the situations prevailing in the Western Sahara, in Chad, in the Horn of Africa and in southern Africa.

In this connection, they expressed their concern about the increasing deterioration of inter-African relations, the multiplication of the zones of tension and the efforts to destroy stability on the continent by African and other powers.

As a result, they confirmed their determination to work toward the rapid settlement of conflicts in such a way as to preserve peace and stability in Africa.

Within this context, they voiced their wishes for the full success of the conference on the application of sanctions against South Africa being held in Paris, and they issued an appeal to the international community to exert the necessary pressure on the Pretoria government to insure the implementation of the provisions of United Nations Resolution 435 on Namibia, so that this territory can regain its independence within a short time.

On the subject of the international situation, the two parties studied the problems pertaining to the Middle East, Afghanistan, Cambodia, the conflict between Iran and Iraq, as well as disarmament and world economic relations.

In this connection, the two chiefs of state expressed their profound concern about the resurgence of tension in the world, and simultaneously, their hope of seeing the international community achieve a just solution to these conflicts based on the principles of peaceful settlement of differences and nonintervention in the domestic affairs of other nations, the right of the peoples to self-determination and the pertinent resolutions of the United Nations organization, the movement of nonaligned nations and the Islamic conference organization.

The two chiefs of state also expressed their conviction that the establishment of a new international economic and cultural order which is more equitable and more humane, based on independence and international solidarity, is also necessary in order to safeguard peace and security in the world.

In this connection, the two parties agreed to continue to join their efforts with those of other partners with a view to reestablishing the North-South dialogue.

In addition, both parties denounced the dizzying spiral of vast resources devoted to armaments, constituting an intolerable waste in view of the problems of hunger, malnutrition and illiteracy with which the greater part of mankind is faced.

At the conclusion of his visit, the president of the Republic of Senegal made a point of expressing his profound satisfaction with the conclusions reached during the interviews between the two chiefs of state, which will contribute to the strengthening of the bonds of fraternal friendship and fruitful cooperation which exist between the two countries.

President Abdou Diouf, speaking on behalf of his wife and the Senegalese delegation as well as himself, expressed his warmest thanks to President El Hadj Omar Bongo, his wife, the government and the people of Gabon for the enthusiastic and fraternal welcome given them throughout their stay in the Gabonese republic.

The Senegalese chief of state and Mrs Abdou Diouf also invited the president of the Gabonese republic and Mrs Omar Bongo to pay a working and friendly visit to Senegal.

The invitation was enthusiastically accepted. The date of the visit will be established later through diplomatic channels.

Libreville, 27 May 1981

For the Republic of Senegal
Abdou Diouf

For the Gabonese Republic
El Hadj Omar Bongo

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FRENCH COMMITMENT TO AFRICA SAID TO BE UNCHANGED

Libreville L'UNION in French 13-14 Jun 81 p 4

[Article by Obame Emane and Duchateau Effenba: "No French Disengagement in Africa"]

[Text] Counselor Guy Penne granted an exclusive interview to L'UNION after his meeting /with the president/. A number of subjects, such as increased French assistance to Third World countries, defense agreements and Franco-African talks were discussed.

In relation to increased French aid, he notably declared that the Socialist Party had already integrated this proposal in its program. It is true that Mitterrand and the French government want to change a number of things in French society, and particularly to improve conditions in the more disadvantaged classes.

This has already been started, with the increase in the minimum wage, family allowances, etc. Therefore, not everything can be done at the same time. Everything will have a priority. "However, since we believe that Francois Mitterrand is a man of principles, this is certainly a goal he will attempt to achieve rapidly."

Concerning the defense agreements, Guy Penne specified that for the moment, the government will have to decide. But France does not intend to eschew its responsibilities in Africa in any field.

How about the Franco-African summit? "I believe," Penne said, "that Mitterrand, after consulting with the heads of state interested in continuing this conference, will certainly decide to preserve it. The only problematic element is that if a conference is held this year, it would be preferable to have it in France, since the new French president, having just assumed his functions, has a very heavy schedule ahead and could not visit any African country for another year."

CSO: 4719/66

WAVE OF VIOLENCE LEADS TO ESTABLISHMENT OF SPECIAL COURT

Libreville L'UNION in French 30-31 May 81 p 4

[Statement by the Ministry of Defense]

[Text] In the course of the regular meetings dealing with security problems, the officials of the forces of law and order were summoned by the chief of state in order to report to him on the events which have occurred in recent times.

In the course of this interview, the chief of state expressly pointed out to the officials the persistent nature of the acts of vandalism, assault and rape being committed both in Libreville and in other large centers in the country.

In this connection, the chief of state gave formal instructions for the strictest repression of any action likely to disturb the public order within the framework of a special court.

We had occasion to discuss with the chief of state the unfortunate incidents which occurred between citizens of the Cameroon and Gabon. These regrettable incidents, which began in Cameroon, have continued in Gabon, and have been the cause of moral, physical and material damage to the citizens of both Cameroon and Gabon.

As a result of these incidents, certain citizens of the Cameroon, at the urging of their government, have decided to return to that country.

It goes without saying that the Gabonese government has expelled no one, as the speech by the minister of foreign affairs carried on radio and television stated.

The chief of state, a dedicated advocate of nonviolence, consistent with his good neighbor policy, invites the citizens of Cameroon who wish to remain in Gabon to return to their homes.

Formal orders have been given to all the security forces to guarantee calm and the safety of all citizens of friendly countries living in Gabon.

Along these same lines, the population is urged to report to the security forces any untoward events of which they may be the victims or witnesses.

PAIGC NATIONAL COUNCIL CONVENES SPECIAL MEETING

Vieira on Coup, Nonalignment

Bissau NO PINTCHA in Portuguese 27 May 81 p 4

[Excerpts] At the second special meeting of the PAIGC National Council, Comrade Brigade Commander Joao Bernardo Vieira, president of the National Council of Guinea (CNG) and the Council of the Revolution presented a proposal for the special congress of our party, the PAIGC, to be held from 8 to 14 November of this year, in Bissau.

With regard to the reaction of Cape Verde [to the 14 November action], he said: "The Cape Verde branch of the party acted hastily and thoughtlessly after the 14 November action, having tried by all possible means to isolate our country."

Notwithstanding the efforts of the Council of the Revolution through its president, "it was not possible to establish a dialog with Cape Verde because after the local leadership condemned the victorious action of 14 November as an antiparty act, it firmly pursued the course of destruction of the party of Cabral," declared the comrade president of the CNG.

With regard to the creation of the so-called PAICV by the Cape Verde clique, the comrade president declared that "it is up to history, to analyze the causes and consequences of that serious decision. From our point of view, it is a case of a number of members consummating their activity of departing from the party line, and especially of the blocking of the organs by some leaders, thus preventing any serious discussion on various aspects of our life, such as the question of Guinea-Cape Verde unity, which was considered taboo."

The Party and the Masses

This second meeting of the CNG responds to the desire of our people, who wish to see the situation of their vanguard--the PAIGC--defined after the political changes that have occurred in our country following 14 November. The profound changes that occurred within the party since the last meeting of the CNG, which was held last January, have created in the minds of all of us: party members, officials and leaders, the need for this new meeting for the purpose of making an in-depth and realistic analysis, to decide the future of our organization.

It is necessary and urgent for the party to return to the masses because during these 7 years of independence we have been witnessing the slow liquidation of our party, which under the slogan of "Unity and Struggle" had led the people of Guinea and Cape Verde to national independence. The executive apparatus of the party was dominated by a group of leaders who, sometimes employing antidemocratic practices, divorced the party from the great mass of members; it tried to divest the party of its ideological content, consequently placing it in danger of losing one of its most marked characteristics, which is precisely the great link with the popular masses and deep entrenchment among them.

"Pursuing this course," said Comrade Nino Vieira, "the PAIGC was beginning to lose its essence of Liberation Movement in power, of spokesman and defender of the yearnings and interests of the popular masses; in short, it was ceasing to perform the role of guide and catalyst of the creative energies of our people for the construction of a happy, prosperous and happy nation. It was in this context that the Readjusting Movement of 14 November arose, and has the support of the majority of members as the only way capable of returning the party to the course defined by Amilcar Cabral and reaffirmed at the third congress."

Foreign Policy

Comrade Nino Vieira also spoke about international relations, once again reaffirming our foreign policy options, emphasizing the position of our country in the framework of the United Nations, the Organization of African Unity (OAU) and the West African States Economic Community (CEDEAO), as well as our loyalty to the principles of nonalignment.

"We also want to reaffirm," emphasized Comrade Nino Vieira, "our readiness to maintain and develop relations of friendship and cooperation with all the countries in the world, specifically in the African continent and particularly with Portuguese-speaking countries within the framework of the alliances established by our party during the national liberation struggle, the Conference of National Organizations of the Portuguese Colonies (CONCP); with the neighboring countries such as the Republic of Guinea, the Republic of Senegal and others; with the socialist camp and the liberation movements."

The comrade president of the CNG also stressed that the "nonaligned movement has become a very vast movement on a world scale and it plays an important role in the development of the world situation and the solution of international problems, representing a powerful force that is propelling the history of mankind according to the demands of the people struggling for independence."

And he continued: "It is not too much to remind our members that our policy of nonalignment consists essentially in our determination to be independent vis-a-vis any and all foreign powers, in the clear reaffirmation of our independence of thought and action; in the unconditional support for the struggle which the oppressed peoples are waging against colonialism, imperialism, apartheid and Zionism, and finally, in active participation in the struggle for the establishment of a new, more just, international order."

CNG Resolutions

Bissau NO PINTCHA in Portuguese 27 May 81 pp 3, 5

[General Resolution of the National Council of Guinea]

[Excerpt] I. Meeting from 25 to 27 May 1981 in Bissau in its second special meeting, the National Council of Guinea of the PAIGC listened with attention and great interest to the opening speech delivered by its president, Brigade Commander Comrade Joao Bernardo Vieira, president of the Council of the Revolution.

Because of the importance of the issues broached and the proposals contained in it, the CNG has decided:

1) To greet and congratulate the comrade president for his brilliant speech, rich in content and guidance aimed at revitalizing the party--the PAIGC; 2) To adopt the document as a working paper and to recommend its wide dissemination and study by the members in all party organs and particularly at the next regional conferences.

II. Considering the need to correctly and scientifically analyze the situation now prevailing in the country and the objective demands for the development of party work in order to safeguard the essence of the party,

The CNG has decided:

1) To reaffirm the continuity of the PAIGC as the only party in Guinea-Bissau; 2) To strengthen the unity and cohesion of the party; 3) To defend and preserve the ideological purity of the party; 4) To strictly observe party discipline and to fully comply with the principles of democratic centralism, of collective leadership, of revolutionary national democracy and of criticism and selfcriticism.

IV. [III omitted] Based on the conclusions derived from the concrete analysis of the situation the party is facing at the present stage; considering the transcendental role of the Council of the Revolution since the historic night of 14 November as the guarantee of loyalty to the correct application of the principles of the PAIGC,

The CNG has decided:

1) To acknowledge to the Council of the Revolution in this transition phase the leading role in society as Supreme Organ of Power, on the basis of the fundamental principles of the PAIGC; 2) To appoint, by cooptation, the following members of the Council of the Revolution of the Permanent Committee of the CNG:

Yafai Camara, Manuel Saturnino da Costa, Buota N'Batcha, Joao da Silva and Beghateba No Beate.

IX. [V through VIII omitted] Finally, having listened attentively to the reports of the JAAC, the Organization of Women and the UNTG [expansion unknown]; considering the meritorious work carried out by those organizations notwithstanding the difficulties they have always encountered in effectively fulfilling their functions,

The CNG has decided:

1) To reaffirm its recognition of the importance of mass organizations in the historical process of national independence and reconstruction; 2) To encourage and support the mass organizations in order to guide and improve the work of those organizations; 3) To praise the mass organizations for the effort expended in implementing the tasks that are committed to them; to call on the JAAC, the Organization of Women and the UNTG to intensify their ideological work in order to arm their members with the principles of the party with a view to their active participation in achieving the objectives of 14 November; 5) To congratulate the UNTG for the splendor of the May Day ceremonies; 6) To appoint Comrade Francisca Pereira, a member of the Superior Council of Struggle, to the position of national secretary of the Organization of Women, replacing Comrade Carmen Pereira, who is unable to perform those functions because she is exercising the duties of a member of the government.

X. Because of the correctness of the principles that have always guided the foreign policy of the PAIGC,

The CNG has decided:

1) To reaffirm its loyalty to the principles of the party in the matter of foreign policy; 2) To maintain on the international level the line defined by the party: of anti-imperialism, anticolonialism, antiracism; of unconditional support for the just national liberation struggle; and of nonalignment; 3) to establish and develop relations of friendship and cooperation between the state of Guinea-Bissau and all the states of the world on the basis of international law and the principles of mutual respect, noninterference in internal affairs and reciprocity of benefits; 4) To promote the growth of organizations of support for emigrants in order to guarantee the defense of the rights of national citizens residing abroad; 5) To reiterate the continuity of foreign policy options with reference to the position of Guinea-Bissau in the framework of the United Nations, the OAU and the CEDEAO as well as to the principle of nonalignment; 6) To reaffirm its involvement in the struggle to establish a new international economic order; 7) To maintain and develop [relations of friendship and cooperation] with the countries of the African continent, particularly with Portuguese-speaking countries, and with neighboring countries, specifically the Republic of Guinea and the Republic of Senegal, and the national liberation movements; 8) To express its support for and solidarity with the peoples of Namibia, South Africa, Palestine, Western Sahara, West Timor, Latin America and the Arab peoples in general, who are struggling for their independence and dignity.

XI. Considering the crisis that the party is experiencing at this moment, profoundly affected by the hard blow that was struck against it by the National Council of Cape Verde in proclaiming the creation of the PAICV on 20 January;

Considering that it is urgent to take measures to adapt the party to the new national reality;

Considering that the congress is the only organ competent to speak on the future of the PAIGC in Guinea-Bissau;

Expressing the unanimous will of the mass of members,

The CNG has decided:

1) To convene a special congress of the PAIGC to make an in-depth analysis of the party situation and to adapt the party to the Guinean reality; 2) To set the period of 8-14 November 1981 as the date for holding the congress; 3) To create a preparatory committee for the congress and to name the following comrades as its members:

Victor Saude Maria (president); Samba Lamine Mane, Joseph Turpin, Victor Freire Montiro, Mario Cabral, Joao Cruz Pinto, Vasco Cabral, Tiago Aleluia Lopes, Carmen Pereira, Fidelis Cabral D'Almada, Manuel Santos, Domingos Brito, Francisca Pereira, Jose Pereira, Filinto Barros, Alexandre Nunes Correia, Nicandro Barreto and Teobaldo Barbosa.

XIII. [XII omitted] Considering that there are two vacancies in the National Council;

That there is a need to fill those vacancies,

The CNG has decided:

To admit by cooptation as members of the CNG, Comrades Avito Jose da Silva and Teobaldo Barbosa.

[XIV omitted]

Done in Bissau, on 27 May 1981, the National Council of Guinea.

8711

CSO: 4728/22

MACHEL SCORES CULTURAL PROBLEMS IN SCHOOLS

Maputo NOTICIAS in Portuguese 28 May 81 pp 1, 7

[Excerpts] "Behind all this there is a serious cultural problem. That is the fundamental problem and it does not exist just in this school. It is in almost all of them and also in the hospitals and many other centers"--said Marshal Samora Machel, the president of the People's Republic of Mozambique yesterday morning when he visited the Red Star secondary school, in the capital of the country. In his visit yesterday the maximum leader of the Mozambican Revolution came upon the almost total passivity and incapacity to solve problems already tackled in other schools and related to the lack of beautification and cleanliness and to the poor progress of the pupils. Still on this topic and during the same visit the chief of state, analyzing what he had just observed, added:

"Wherever we carry out a job related to the training of the New Man we must pay a great deal of attention to the detail, to the individual daily events. What we see here are not isolated errors. They reflect that fundamental and general question."

The chief of state analyzed the leadership capacity of the Red Star school to organize the life of that establishment in such a way as to solve the existing problems. After an obvious display of incompetence and insensibility the director of that school was immediately dismissed by the president of the republic himself.

Pupil's Improvement

To verify the level of improvement of the pupils in that school, President Samora Machel visited some classrooms, two in the fifth grade and another in the sixth. The poor preparation of the pupils in primary instruction along with the low pedagogical and scientific level of most of the teachers that we have on duty at this moment in secondary education are at the bottom of the poor progress that is observed today in our secondary educational establishment.

A lack of correct pedagogical methods in instruction was also observed. This problem makes itself felt most seriously in the discipline of political education, since the way in which the classes are run provides only that the pupils learn their notes by heart which are usually confused. As a result it is difficult to find a pupil with a grade higher than 10 in this discipline.

School Routine

At the bottom of this mass of problems--the outward appearance of the school and the level of improvement of its pupils--the chief of state again and again mentioned the need for the teaching establishment "to have a dynamic and daily schedule compatible with its principal goal: the training of the New Man." Otherwise, as President Samora Machel also emphasized, "Not only are we wasting money, but it is senseless that the efforts of our workers and the sacrifices of those who have been physically diminished in the mines of South Africa are undertaken so that we might have schools where they just barely learn to read and write."

From the same perspective he brought up several times the question of the scholastic improvement in the pupils. On this topic he particularly called attention to the need for the professors to thoroughly know the characteristics of their pupils, their social problems. He thus emphasized that it is necessary to be able to understand those questions and to deal with the pupils as a function of those specific qualities in looking for solutions so that each one will find stimulation for studying.

This dynamic relation of the administrators and the teachers with the pupils "is where the essence of our schools resides." It is through this action that "we will transform mentalities, we will create a mentality capable of conquering underdevelopment."

Who Runs Our Schools

When he visited the Red Star secondary school yesterday President Samora Machel observed a manifest incapacity on the part of the director of this educational center. Faced with the physical appearance of the school and the administrators' ignorance of the seriousness of the situation, the maximum leader of the Mozambican Revolution told a group of responsible persons to accompany the director and the administrative director of the Red Star to their respective homes and to analyze their living conditions there.

On entering the school director's home, those persons were immediately warned by an apology of what they would find: "Here at home I do not control anything, I don't even know...I don't know anything"--the director explained. Twelve family members live in this teacher's home, six adults and six children.

All of these people are supported by the director's salary of 10,550.00 metacals. No one else works. The children, with one exception, belong to his two sisters. None of them knows his father however, nor do the sisters tell who the fathers of those children are. His brother, who also lives with him and at his expense, has worked at times, in the breadmaking division. However, according to his own explanation, he left because "someone stole some primary materials" from the shop where he carried out the duties of storekeeper.

In the home of the administrative director another kind of problem was observed. "I am 100 percent a devout believer"--this teacher divulged when in his home. Surrounded by religious books, he sang a sacred melody entitled "Let us drink the blood of Christ, for his visitors."

After this most profound illustration of the ideological capacity and nature of the directors of the Red Star we were in a condition to better understand the failure to solve the concrete problems which are manifested there today.

We understand, for example, that the administrative director could perhaps be a good teacher of choral singing. However, we do not understand yet how it is possible for them to direct a center where we wish to train the New Man. We do not understand what criterion could have presided over the appointment of these persons as responsible officers or what analyses of their capacities were made before their appointment.

12116

CSO: 4401/292

GOVERNMENT GO-AHEAD TO PRIVATE BUSINESS

Paris LE CONTINENT in French 16 Jun 81 p 9

[Article by Rene Biaggi: "Small Private Businesses Are Flourishing"]

[Text] Maputo--One year ago, President Samora Machel of Marxist-Leninist Mozambique was declaring that "the state cannot lose time engaging in selling eggs or matches."

Since that time, thousands of small private enterprises have opened in this country living under the sacrosanct regime of collective property. According to a high Mozambican official, 2,800 tailor, shoe, grocer stores and restaurants have appeared during the last 12 months. Taking also into account the private businesses tolerated following independence, there are today in Mozambique about 3,500 enterprises managed on the basis of the very capitalist law of individual profits. Authorities, however, stress that "one should not see in this development an abandonment of marxist principles."

The sudden emergence of the private sector has entailed the quasi-disappearance of the "people's stores." These enterprises had been created by the Maputo government after independence to manage all of the businesses abandoned by the Portuguese during the hasty decolonization process.

"Contrary to what is commonly thought, Portuguese businesses were not nationalized. Their owners were invited to reopen their enterprises within a period of 3 months, after which, the people's stores were put in charge of this sector."

This was considered vital by those in charge of Mozambique's economy because the entire network throughout the country had crumbled after the Portuguese exodus. The first results shown by the people's stores were catastrophic. Improvisation, incompetence, corruption, the bureaucratic burden soon made these stores totally inefficient, resulting in the bichas" (lines), the national scourge which became the housewives' daily burden. At present, only a few of these stores are left in the bush, and for good reason: "No one wants to open a business in the country's most remote regions," a Maputo official acknowledges.

The new businessmen, exclusively Mozambicans, are chosen on the basis of their administrative qualities. They can have their own employees and must pay taxes. However, this "liberal" wind does not mean that a change in the political orientation of the country is in the offing, officials state.

CSO: 4719/66

TEN-YEAR COOPERATION AGREEMENT WITH USSR

Maputo NOTICIAS in Portuguese 22 May 81 p 1

[Text] A long-range program for economic and commercial cooperation between the People's Republic of Mozambique and the Union of Soviet Socialist Republics for the period 1981-1990 and a protocol of assistance by the USSR to Mozambique's agricultural development and professional training were subscribed to yesterday in Moscow.

The documents were signed by Mario Machungo, member of the Permanent Policy Committee of FRELIMO's Central Committee, minister of planning and minister of agriculture, and by Semen Skachkov, chairman of the Soviet committee for foreign relations. The two leaders headed the Mozambican and Soviet delegations who participated in the First Intergovernmental Session of the Mozambican-Soviet Commission on Trade and Technical and Economic Cooperation.

According to a telegram sent by the Soviet news agency, TASS, the conversations held by the two delegations took place in a cordial and friendly atmosphere. Minister Mario Machungo held a press conference with Soviet journalists in which he stressed FRELIMO's role in Mozambique's struggle against underdevelopment. During the conference, the Mozambican leader also said that the participation of other states, particularly socialist, is a factor to be considered in the decade of the 1980's, defined in Mozambique as a decade of victory over underdevelopment.

Yesterday, Minister Mario Machungo was received in Moscow by Ivan Arkhipov, deputy chairman of the USSR council of ministers, and Nikola Fadeyev, secretary of the council for mutual economic assistance (CEMA).

During the meeting with Nikolay Fadeyev, a number of questions were taken up pertaining to multilateral cooperation between Mozambique and countries which are members of CEMA.

8568

CSO: 4401/294

MORE UNITED, OAU 'CANNOT BE IGNORED'

Maputo NOTICIAS in Portuguese 17 Jun 81 p 8

[Article by Manuel Tome: "A More United OAU in the Yearly Struggle"]

[Excerpts] The Western newspaper LE MONDE had said, last year, about the 17th anniversary of the establishment of the OAU: "The Gafricanization inherited from colonial times, border quarrels, economic and administrative underdevelopment, Afro-Arab differences, a lack of solidarity between countries calling themselves brotherly. Independent Africa is suffering from those evils, and the whirlwind of independence created the will and the need for unity: the OAU is a product of all this and does no more than hide these evils for a short time.... The OAU is well aware that the possibilities for a victory are quite slim." And a few more such aspersions were cast on the continental organization.

Such articles, using the same or another type of language--but always with the same goals--regularly appear in the Western press in reference to Africa.

This is not surprising in a "world" for which the Third World, and particularly the African continent, must continue to be the eternal supplier of raw materials.

It could not be otherwise for those who wish to see us consume what we do not produce and produce what we do not consume, selling our raw materials at ridiculously low prices and importing manufactured products that cost us a fortune.

This "world" should not forget that the OAU has fulfilled the role for which it was created, that it numbers today 20 more members than the 1963 OAU.

Men like Ronald Reagan and company should fear the increasing coordination in the attempts to extirpate "apartheid" in South Africa--as is happening right now in Nairobi--and the final solution to the Namibia question in accordance with the interests of its people. Moreover, the admission of Western Sahara into the OAU would strengthen this organization. Such an admission should also be feared.

What is surprising and unexpected is that some leaders of our continent--and fortunately there are few who have dared do so in public--are joining those interests that are, in principle, against their own.

True, to have a monolithic view of the OAU would be to misjudge reality. However, if it is bandied about that the heterogeneity of the political regimes of the

countries member of the OAU constitutes a divisive element, this only serves the purposes of those who wish to perpetuate our divisions.

In our view, it is not by mere "coincidence" that the Reagan administration has simultaneously dispatched Undersecretary of State William Clark to South Africa and Namibia and its Undersecretary of State for Defense Frank Carlucci to Morocco at the time when the OAU is discussing some of its most burning issues. It obviously reflects the apprehension with which Reagan and company view the development of events in Africa. The situation they are witnessing is becoming increasingly more unpleasant and adverse, even painful.

Again, it was by design that Reagan and his group granted their full support to the "apartheid" regime, alleging it is their "strategic ally." We all know--and especially the big multinationals--that Southern Africa possesses one of the largest concentrations of natural resources in the entire world.

Oil, coal, diamonds, gas, copper, bauxite, chromium, uranium, tantalite, these are some of the riches. We could add to those wood, maritime fauna and hydroelectric potentials.

"To lose all this" would be extremely painful. "If it is painful, so be it, but not right away." This is the present policy of the United States and its partners, who have so far only encouraged the Pretoria regime to maintain its domination over Namibia and continue the policy of "apartheid."

Faced with the failure of the Geneva conference, with the veto imposed by the West at the Security Council in relation to the proposed sanctions against South Africa and with the steps taken by the Reagan administration for the abandonment of UN Resolution 435 on Namibia, surely the members of the OAU will decide to close ranks at the Nairobi ministerial meeting and the summit of chiefs of state to be held in the same city.

Should the negotiating process not lead to a solution, the rumble of arms--the only one that cannot be ignored--will become louder, with increased support from the OAU, an OAU now stronger and more united.

CSO: 4728/32

MOZAMBIQUE

SWEDEN, BADEA ASSISTANCE IN FORESTRY PROJECT

Maputo NOTICIAS in Portuguese 17 May 81 p 1

[Text] The Ministry of Finance has just ratified a contract for carrying out the Manica Industrial-Forestry Project recently signed in Maputo by the Swedish firm, Johnson Construction Company, and IFLOMA [Manica Forest Industries, Inc]. The contract, totaling 667,500 contos, covers the manufacture, purchase and installation of the necessary equipment and the startup of the first phase of the project.

IFLOMA was established in 1980 under the auspices of the Department of Forests and Wild Life of the Ministry of Agriculture to implement and manage the Manica project.

The first phase of the project covers the construction of four industrial units: 1 particleboard plant with an annual production capacity of 20,000 cubic meters; 1 sawmill with an annual production capacity of 39,000 cubic meters; 1 plywood complex with an annual production capacity of 10,000 cubic meters; and 1 lumber-finishing mill with an annual production capacity of 10,000 cubic meters.

The first phase of the Manica Industrial-Forestry Project will have a total cost of 1,329,000 contos, and its financing was assured by a grant from Sweden and a credit advance by BADEA (Arab Bank for Economic Development in Africa) as well as by the Mozambican Government.

The work now underway is to be completed by the end of 1982, with the startup scheduled for the beginning of 1983. Meanwhile, landclearing and leveling has been underway at the industrial site of Messia (Manica Province).

Subsequent phases of the Manica project are already being engineered; these call for the installation of a furniture factory, a prefabricated housing unit and a papermill.

The construction of this assortment of plants, spelled out in the directives of the Third FRELIMO Party Congress, will make it possible to supply the domestic market with wood and its byproducts and free valuable native species for export.

The Manica Industrial-Forestry Project, already employing 2,300 workers, is destined to have considerable impact in the regional development of a border area which, until recently, was subjected to Rhodesian raids, and it is one of Mozambique's largest centers of development through forest clearing.

8568

CSO: 4401/294

SEARCH FOR OIL BEGINS; ALGERIAN COOPERATION

Maputo NOTICIAS in Portuguese 18 May 81 p 1

[Text] Mozambique has resolved to begin prospecting for petroleum on land and offshore later this year. For this purpose discussions have already been started with four companies (two American, one English and one Norwegian) on the seismic activities at sea; and in June the Mozambican Government will decide to which of them it will assign the work. Prospecting on land will be carried out in the Province of Inhambane in the southern part of the country and conversations are in progress with several companies concerning this project.

The Algerian state petroleum enterprise--SONATRACH--has been giving aid to Mozambique in the preparatory work. The Algerians have put at the disposal of Mozambique their experience in dealing with the multinational companies. Specifically, it has collaborated in the preparation of documents which will shortly be presented for the approval of the Mozambican Government and the People's Assembly.

An Algerian delegation has just left Maputo after 15 days of discussions with the State Secretariat for Coal and Hydrocarbons. The Algerian team consisted of three specialists--one a specialist in geophysics and geology, one in international law and the other in fiscal problems. The Algerians' experience can help Mozambique to choose the juridical framework to be used in its contracts with the foreign petroleum companies.

The subjects discussed by the delegation during its stay in Maputo included possible future direct Algerian participation in prospecting for petroleum in Mozambique.

A regular contact will be maintained. A team of Mozambican technicians from the Ministry of Finance and from the State Secretariat for Coal and Hydrocarbons will visit Algeria in July. The visit to Mozambique of another Algerian delegation is anticipated before the end of the year. It will stay in the country for 3 to 4 months.

During the final years of the colonial period in Mozambique, prospecting for petroleum was carried out by four Western corporations--Gulf Oil, AMOCO, Hunt and the French company Aquitaine. A total of 60 wells were drilled. No petroleum at all was discovered, but deposits of gas were found in Panda. Prospecting for these gas reserves is now being planned.

The anticipated prospecting for petroleum this year will be the first since independence. Mozambique hopes to be able to supply its internal market, thus reducing expenditures for imported petroleum and if a few deposits turn out to be sufficiently large it will join OPEC.

SERIOUS FOOD SHORTAGES NOTED IN NIASA PROVINCE

Maputo NOTICIAS in Portuguese 30 May 81 p 3

[Article by Rogerio Sitor]

[Excerpts] Niassa Province, particularly the districts further removed from Lichinga, is currently facing a serious food shortage. The problem stems from inadequate means of access (both rail and highway) to distribute the products, and the fact that the quotas established by the Domestic Trade Ministry for the province are seldom met on schedule, mainly because the responsible companies located in Nacala and Beira fail to deliver.

The situation has been the same since last year. To solve one part of the problem, more precisely, the fact that the products pile up in the local COGROPA, the only wholesale enterprise in the province, the system for distribution of the products to the districts was decentralized at the beginning of this year. To this end, the Provincial Directorate of Domestic Trade established wholesalers in almost all the districts. Thus all the retailers are being supplied directly by the new wholesalers so as to satisfy minimal consumer demands and to facilitate distribution of products. However, COGROPA is still responsible for distributing essential products; the remaining products may be acquired by the wholesalers directly from the supplier. The activity is coordinated by the Provincial Directorate of Domestic Trade.

Despite this new type of organization, the supply problem persists. The products are still failing to arrive, or they arrive late and in insufficient quantity for the province.

It is thought that the problem stems from the lack of transport from other provinces to Niassa and from the low production rates in some plants, which are not producing enough to meet the needs of the province.

As a result of these problems, the supply situation in Lichinga today is truly lamentable, notoriously so in the hotel industry. In most of the few existing restaurants in that province capital, it is impossible to get a meal. The best they can do is a glass of milk (also scarce) or tea. In the few restaurants that serve meals, the menu almost never varies.

6362

CSO: 4728/6

MANPOWER SHORTAGE AFFECTS COTTON HARVEST

Soldiers Detailed

Maputo NOTICIAS in Portuguese 27 May 81 p 1

[Report from correspondent A. Faife]

[Excerpts] Nampula, 26 May--Hundreds of soldiers of the FPLM (Armed Forces of Mozambique) have begun to advance on the state farms to help out with the cotton harvest in this province because of the serious manpower shortage.

FPLM troops began harvesting yesterday (Thursday) on three work fronts in the state cotton sector. Owing to the shortage of seasonal laborers, about 16,000 hectares of this strategic export product, which is in an advanced stage of maturity, are in serious danger of being lost.

Relations Between Soldiers and Peasants Excellent

According to the leaders of two of the detachments already working in the cotton fields, the FPLM soldiers were graciously welcomed on the farms by the seasonal workers, and excellent relations were immediately established.

Meanwhile, intensive efforts are continuing in several areas of the province to mobilize seasonal workers for the cotton harvest.

Cultural, Political Reasons

Maputo NOTICIAS in Portuguese 27 May 81 p 5

[Article by Abel Faife]

[Excerpts] In a province as densely populated as Nampula, how can there be a shortage of manpower to harvest the cotton? This is one of the questions many people are asking in this northern capital where, as time passes, on a considerable part of the 16,500 hectares of this strategic product, the cotton is beginning to fall in the fields. After an agricultural year in which all the growing operations were successfully carried out, it now appears almost impossible to reap the results of this effort. Where does the problem lie? Based on our observations and contacts with some workers in the cotton fields, we will attempt to contribute to an understanding of the problem.

The lack of seasonal manpower to harvest the cotton is not a new problem. It has occurred every year since the state sector was created, particularly the last 2 years, when 11,000 to 14,000 hectares were cultivated. Based on this experience, it was determined in the 1981 Central State Plan that manpower recruitment for the harvest phase should be completed by March.

However, almost none of the 11 production units of the Provincial Cotton Enterprise began recruiting before the end of March and early April, when the first cotton bolls were beginning to open. In some cases, there was no coordinated recruitment program or effective collaboration with the district agencies. One unit even "solved the problem" by sending notes to the administrators and circulars to the locales and "circuitos" to recruit workers.

Reasons for the Problem

The late start in mobilization and, above all, the recruitment methods used are among the main factors contributing to the current situation in the state cotton farms. But there are others.

Among the determining factors is that most--an overwhelming majority--of the peasants are now engaged in harvesting their own cotton and other crops. Why would a peasant be willing to lose the crops on his own farm to go work on a state farm for 2 months or a little longer to earn 62.50 meticals per day?

Another factor relates to supplies. The state cotton farms in Nampula are located in the jungle, where there is virtually no human habitation. To reach the farms, the seasonal workers leave their homes and travel 40 to 50 km, sometimes on the back of a tractor or by truck. Because of the distance, the workers stay on the farms for 15-day periods, sleeping in camps, which they call barracks.

The food supplies at the production units are inadequate, however, and what little reaches them is quickly exhausted, so the workers bring enough food from home to last for 15 days. At the end of this period they return home for more supplies, and they repeat this pattern until the harvest is over.

Political Causes and Relationship With Peasants

In addition to these social factors, there are other basic causes which we feel are preeminently political.

Among the peasant masses in our country, the mention of cotton evokes the long years of suffering and humiliation endured by many generations of Mozambicans. Because of the role that cotton (mainly cotton-picking) played in the colonial period, many peasants feel an upsurge of repressed loathing for this task now that they have won their freedom.

This reinforces our opinion that political work to mobilize the peasants to harvest cotton is weak. It consists merely of administrative recruitment. The foremen, sepoys and beatings have disappeared, certainly! But the peasant does not yet fully comprehend the difference between cotton cultivation in the colonial period and cultivation of that same cotton in independent Mozambique. Why not undertake

effective, systematic action to transform the hatred he feels for the old forced system of cotton-growing into an instrument so that, through an understanding of the new reality, he will be able to produce this same cotton, now in freedom, and escape the extreme poverty in which he lives. This work of political mobilization must also, and essentially, be accompanied by an improvement in the living conditions on the farms which, as we said above, are precarious. The question of supplies must be given close attention.

6362

CSO: 4728/6

MOZAMBIQUE

BRIEFS

SHRIMP CATCH GOALS REACHED--By the end of April of this year, the fishing industry sector, made up of three state firms and three joint firms, showed a slight surplus over the goals set by the PEC/81 [State Shrimp Plan for 1981] with regard to the overall shrimp catch. Only two of the first exceeded the goals set by the plan, but this was enough to offset the shortage experienced by the other four. Although we have not yet received information concerning catches made by private shipowners in Beira and Maputo for whom goals have also been set by the government, a high official of the Secretariat of State for Fishing said the situation was satisfactory. This is because the private firms, even though unable to meet the goals set for the first 4 months, represent only slightly more than 10 percent of the total catch at most, thus barely affecting the overall result. In this case, the implementation of a few corrective measures can make up for any shortage, if there really is one. With regard to the six firms subordinate to the Fishing Industry Directorate, credit for reaching the established goal must go to EPRIPEL in Quelimane and EMOPESCA in Angoche. The six firms were further aided in achieving the established goals by the fact that the biggest catches are normally made during the first 4 months of the year. The most favorable season is actually from February to June. Thus, it will be necessary to make a greater effort during the second half of the year in order for the shrimp catch to equal the established goals. [Text] [Maputo NOTICIAS in Portuguese 22 May 81 p 1] 8568

AMASP OFFICIAL TO BULGARIA--Yesterday, an AMASP (Mozambican Association of Friendship and Solidarity with Peoples) delegation, led by its secretary general, Abner Sansao Muthemba, left for Bulgaria. Upon his departure, the AMASP secretary general told us that this visit is being made at the invitation of AMASP's counterpart in Bulgaria and that its objective is to enable the Mozambican and Bulgarian peoples to become better acquainted. In this respect, Abner Sansao Muthemba recalled that AMASP was established to promote friendship and solidarity between the Mozambican people and other peoples of the world as well as to lend all possible assistance to organizations struggling for their independence, "whether political or economic." [Text] [Maputo NOTICIAS in Portuguese 22 May 81 p 1] 8568

PORTUGUESE FINANCING NACALA RAILROAD--A visit was recently made to our country by a delegation made up of members of the SOMAFEL directorate and the board of directors of Credit Insurance Company (COSEC), both of Portugal and representing

the Portuguese contingent of the Portuguese-French consortium, SOMAFEL/Bourie Dene. The purpose of the visit was to discuss the restoration of the Nacala line, a part of the CPM-Norte [northern branch of Mozambican Railroad]. The Portuguese delegation met with the DNPCF (National Ports and Railroad Directorate) to discuss a contract and plan presented by SOMAFEL, including financial arrangements backed by SOMAFEL's Portuguese contingent and already assured by the Portuguese Government, estimated to amount to \$30 million. The COSEC delegation was headed by Dr Victor Coimbra Torres who held meetings with Bank of Mozambique. Subsequently, the SOMAFEL delegation and directorate, represented by Dr Vaz Coutinho, were received by Alcantara Santos, Mozambique's minister of ports and land transport, with whom they held conversations. The restoration of the northern line, which will hopefully be carried out over the medium term, will represent a significant step in efforts being made to endow our railroads with the necessary qualities not only to assure the efficient movement of our strategic products but also contribute to the rapid development of the country's northern area and, finally, increase and improve the volume of traffic from and to neighboring "hinterland" countries. [Text] [Maputo NOTICIAS in Portuguese 17 May 81 p 1] 8368

GDR ASSOCIATION OF BLIND--Yesterday Dr Pielasch, the president of the Association of the Blind of the German Democratic Republic, arrived in Maputo. He is accompanied by a delegation of that social institution of the GDR. His trip to our country will not only permit the strengthening of the bonds of friendship which exist between our two countries and peoples' but also permit a profound exchange of experiences in the realm of rehabilitation of people with eye defects. Dr Pielasch indicated that he was very interested in keeping up a dialogue with leaders of the Ministry of Health, which in his opinion will be able not only to provide mutual benefits of great value but also open broad perspectives of cooperation between the RPM [People's Republic of Mozambique] and the GDR in those areas. [Text] [Maputo NOTICIAS in Portuguese 18 May 81 p 1] 12116

ANTI-AIRCRAFT MISSILES--Anti-aircraft missile sites in Mozambique are located in Mapai and Maputo. Each of them has 30 SAM 3 missiles. [Text] [Paris AFRIQUE DEFENSE in French Jun 81 p 33]

CSO: 4719/66

NAMIBIA

NAMIBIA-SOUTH AFRICA SITUATIONS REVIEWED IN NEW INTERNATIONAL PICTURE

Windhoek REPUBLIKEIN in Afrikaans 26 May 81 p 6

[Article by Dr M. Hough of the Political Science Department, University of Pretoria: "New Turn of Events About Southwest Africa"]

[Text] In recent days a number of important and interdependent events have taken place.

First of all the election of a socialist president in France conspicuously presents South Africa with a number of negative implications, especially inasmuch as France's possible role within the West's contact group with respect to Southwest Africa is concerned and possibly also France's viewpoint regarding South Africa at the United Nations. Moreover, in the event that in a subsequent election in Britain the Labour Party might come into power this would evidently bring more pressure to bear upon South Africa.

Secondly there is the more positive outlook for a solution for the Southwest Africa problem and apparently a re-evaluation of the strategic importance of South Africa for American national interest.

The positive side of the Southwest Africa question rests mostly on the efforts being made to see to it that an independent Southwest Africa follows an unaligned foreign policy so that it will not, for example, become automatically tied to a great power (especially to the Soviet Union if SWAPO were to win an election). Such a guarantee might be difficult to obtain after independence, but this principle is a positive one.

In addition there is the question of specific guarantees for independence which could be partially taken up in an independence constitution, for example the protection of minority rights. Here again this is no absolute guarantee that such rights will be maintained as time goes on, but it is nevertheless a healthy principle.

The fact that United Nations troops will not be playing a role in the supervision of an independence vote will certainly not resolve all of the problems connected with the supervision, but given the United Nations bias in favor of SWAPO, perhaps this could be a helpful thing in rendering the supervision more objective.

Although South Africa and the internal parties of Southwest Africa would then possibly have a more positive feeling about the likelihood of a free and fair independence vote and a stable transitional period to independence, the attitude of the other members of the Western contact group (and now France especially) and of SWAPO will also be important. Any declaration of independence without SWAPO will be regarded as an "integral arrangement" and will enjoy a limited acceptance.

The fact that South Africa's strategic position and its reserves of strategic minerals are getting greater recognition in the United States is an important matter, but then this is not going to mean that this will lead the way to a defense collaboration, but simply that the United States will have a greater interest in trying to counter the spread of Russian power in southern Africa.

In connection with this the United States must, of course, have in mind other interests and viewpoints, such as those of its allies and also those of African countries and whereas some of these African countries have already expressed criticism against the "rapprochement" between the United States and South Africa the United States cannot completely ignore this for the sake of its sphere of influence in Africa.

For these reasons, as well as other reasons such as internal pressures within the United States itself, the Americans will keep on pressing for gradual change in South Africa's racial policy. Although a less strident attitude is being taken on this than was the case under the Carter Administration it is still an accepted fact that in a certain sense such a change is irreversible, essential and the United States must help collaborate in this.

As for those instances where the South African Government has committed itself to certain internal changes, this is not a case where such changes are simply the result of foreign pressure. As long as unacceptable foreign demands are not presented and there is recognition for the changes which have really been brought about this ought not lead to alienation.

Finally, Minister P. W. Botha's repeated offer of a nonaggression treaty with South Africa's neighbors has once more shown that South Africa still realizes that it is not only important to come to an agreement with the West, but with the black countries of southern Africa as well.

At one stage it has also been said that the way to South Africa's acceptance by the West runs through Africa. If South Africa becomes more acceptable to Africa then this country will also be more acceptable to the West.

Although this is partially true this does not mean that South Africa will have to wait for acceptance by African countries before extending its contacts with other countries. However, regional relations are nevertheless important. Important not only in an economic and technical sense, but also inasmuch as this concerns the security of countries in a certain area. In this sense collaboration with South Africa can not only put the security of countries against Russian expansion on a more solid basis, but also put an end to the idea that South Africa has aggressive aims against its neighbors.

The new administration in the United States, the greater likelihood of a solution for the Southwest Africa problem and the clear mandate in the general elections in South Africa have therefore strengthened the hand of the South African Government decidedly. But there will always be stumbling blocks and problems and it would be foolish to expect everything to run smoothly now.

7964

CSO: 4701/1

NAMIBIA

POSSIBLE PROGRESS ON NAMIBIA PROBLEM INDICATED

Windhoek DIE SUIDWESTER in Afrikaans 21 May 81 p 4

[Editorial: "The Southwest Question"]

[Text] It is expected that the matter of Southwest Africa will be discussed again today when representatives of the Western powers meet in Washington.

They will then hear South Africa's reply to the new American settlement plan. The South African Broadcasting Corporation reports that earlier this week, in the course of a cabinet meeting, the South African Government considered the American plans and formulated a reply.

South Africa's reply is already in the hands of Secretary of State Alexander Haig. According to the broadcasting corporation there are indications that South Africa has provided a "positive" reply to the Americans' plans.

Danie Hough, the administrator general of Southwest Africa, was also in Pretoria on Tuesday and was in touch with Prime Minister P. W. Botha on several occasions.

In the meantime, Riaan Eksteen, South Africa's ambassador to the United Nations, returned to South Africa. Observers regard this as an indication that South Africa now wants to bring this matter to a head.

In the meantime the new French government of President Francois Mitterand made it known that it will take a strong position against South Africa at the United Nations. It is still unclear how this will affect France's further participation in the efforts to come to an agreement.

7964

CSO: 4701/1

BRIEFS

FRENCH FINANCING AGREEMENTS--On 3 June, Mahamadou Halilou, acting minister of foreign affairs and cooperation, and Pierre Nolet, acting charge d'affaires of the French Embassy, signed five financing agreements amounting to 1,336,250,000 CFA francs. The grants will make it possible to pursue four projects now underway: technical assistance to the National Agricultural Water Development Office (ONAH). In order to contribute to the establishment of ONAH structures, the Aid and Cooperation Fund ensures financing for the services of three high-level technical assistants, as it has since 1979. The release of 150 million CFA francs will make it possible to maintain this technical assistance until June 1982. Other projects include: the central cell for follow-up and evaluation of Ministry of Rural Development projects; development and reconstruction of the Dallol Maori mimeograph machine (third phase); and expansion of Niger's telecommunications and television system. The last project concerns the opening of a credit totaling 30 million CFA francs for expansion of the French-Nigerian Cultural Center library. [Text] [Niamey SAHEL HEBDO in French 8 Jun 81 p 5] 11,464

CSO: 4719/47

FANIE BOTHA STRESSES NEED TO TRAIN NONWHITES

Johannesburg THE CITIZEN in English 22 Jun 81 p 8

[Text] MANY South African Blacks were not yet ready for today's technological world because of their cultural background, rural heritage, immaturity and lack of motivation, the Minister of Manpower Utilisation, Mr Fanie Botha, said in Pretoria at the weekend.

Addressing a group of specialised teachers at the University of Pretoria he said many Black and Brown South Africans had, however, shed these drawbacks and were forging ahead.

One had to admire the Whites in the country for the part they had played in the flourishing economy. The country's economy was an example to the rest of Africa.

"The world knows what the role and rights of the White man on the southern tip of Africa is and some countries are, these days, even prepared to admit it," Mr Botha said.

"If we, as Whites, realise what we are worth and what our contribution to this country is, should we walk around with a guilt complex when it is alleged that the White nation will be only 10 percent of the population in the year 2000 and that our chances of survival are not very good?" he asked.

"There should be continuous adjustment, and evolution should take its course, but we will establish the orderly tempo of it ourselves, not only to the advantage and welfare of the White but also to the advantage of each person of colour (anderskleurige) in this Country."

The South African Government had tackled enormous training projects in co-operation with the private sector to increase the knowledge and abilities of the economically active population.

"But in this respect there are immense problems because the greater percentage of our population consist of Blacks of whom more than half have little or no formal training, which means standard three or lower," Mr Botha said.

Many Blacks were not sufficiently competent and

ready to be included in the technological labour world because of their cultural and rural backgrounds, immaturity, lack of motivation etcetera," Mr Botha said.

It was essential that workers of all races be well trained if South Africa is to utilise its manpower to the full. There simply were not sufficient Whites to fill the need for high-level manpower. More Black and Brown South Africans would have to be brought into the professional ranks.

"There should be an opportunity for every worker in South Africa, irrespective of race or colour, to develop their potential to the full," he said.

"I must tell you that there are many people of colour who have shed the yoke and drawbacks of their cultural background, negative work attitude and feelings of unworthiness.

"There are some of them who have ambition and the will to forge ahead in the competitive professional world," Mr Botha said.

Turning to the training of the handicapped, Mr Botha said many of them used to leave school with insufficient qualifications, but special training had completely changed the picture.

— Sapa.

TREURNICHT-FANIE BOTHA DISPUTE VIEWED AS THREAT TO TRANSVAAL UNITY

Head Committee Meeting

Johannesburg THE CITIZEN in English 25 Jun 81 p 3

[Article by Jaap Theron]

[Text] **BATTLE LINES** were drawn yesterday between Treurnicht and Fanie Botha supporters when it became known that a special head committee meeting had been convened for Tuesday to discuss action against Mr Botha.

Dr Andries Treurnicht, the leader of the Transvaal National Party, confirmed yesterday that a number of head committee members had called for a special meeting.

Both he and Mr Fanie Botha said they hope, there would be an open-hearted discussion with a view to establishing the greatest measure of unity in the Transvaal party and the NP as a whole.

Members of both camps, however, see Tuesday's meeting in a different light.

Treurnicht supporters are already preparing to throw the book at Mr Botha over what they consider his insulting conduct towards Dr Treurnicht at last Friday's head committee meeting.

Also readying themselves for confrontation are the backers of Mr Fanie Botha, the Minister of Manpower Utilisation and a deputy leader of the Transvaal NP.

Some said yesterday they would resist strenuously if any attempt was made to axe Mr Botha from the deputy chairmanship.

But yesterday, Treurnicht supporters were already looking around for a replacement deputy chairman. The name of one Cabinet minister was mentioned.

Both sides were counting heads and canvassing by phone, attempting to muster as much support as possible.

By late yesterday indications were that nearly every member of the 200 — strong head committee, all of whom have been personally invited to attend Tuesday's showdown, had indicated they would be present.

Treurnicht supporters claimed that 90 percent of those present at last Friday's meeting would have supported Dr Treurnicht had

there been a showdown.

This figure could have changed since the Prime Minister issued his "defusing statement" on Tuesday. But observers still believe Mr Fanie Botha is heading for one of his most difficult experiences in his entire political career.

It was being said yesterday that only Mr Fanie Botha's stand against Dr Treurnicht last Friday would be discussed. But I understand it is not impossible that Tuesday's meeting will also look back to other incidents in both men's political careers.

One such incident was the Craven Week affair and another the "Bois" joke.

At the time of the "Bois" affair it was Mr Fanie Botha who came out in favour of disciplinary action against Mr Louis Nel, Mr Nel, the MP for Pretoria Central, was temporarily expelled from the party.

Head committee members commented yesterday that Mr Botha was now likely to get back some of his own medicine.

The special meeting will be held in Pretoria.

An insult

The present row started last Friday during the closing minutes of an otherwise successful meeting at which stock was taken of the recent general election.

A motion expressing full confidence in Dr Treurnicht was proposed. Mr Fanie Botha then proposed an amendment in which Dr Treurnicht's name was replaced by that of the Cape NP leader and Prime Minister, Mr P W Botha, and expressing support for the Cabinet and its policies.

Many head committee members considered the amendment to be a motion of no confidence and a direct personal insult to Dr Treurnicht.

Johannesburg THE CITIZEN in English 25 Jun 81 p 5

[Editorial: "Not Satisfactorily Resolved"]

[Text] ONCE again a dispute within the National Party has not been satisfactorily resolved.

Dr. Treurnicht, the Transvaal leader, made remarks about labour matters which Mr Fanie Botha took amiss.

"The fact is that the loss of self-determination for the Whites on the labour front is greater than in any other area," said Dr. Treurnicht.

Fair labour policy could not mean that the White worker would be left unprotected or threatened in his own heartland.

"It cannot mean that the citizens of other States enjoy the same political rights with the White worker.

"We cannot allow that unless we want to sacrifice our right of self-determination."

Mr Botha replied to this seemingly veiled attack by saying that there was greater protection for all workers — Afrikaans, English, Tswana or whatever race — now than at any other period.

And he emphasised that "as the Government has progressed step by step in the development and application of its labour policy and system, there has always been unanimity in the Cabinet and in the party."

Matters came to a head at a Transvaal head committee meeting when Mr Botha refused to give unqualified support to a motion of confidence in Dr. Treurnicht.

A compromise motion, expressing confidence in both the Prime Minister and Dr. Treurnicht, was passed.

There are two issues. The first is: Did Dr. Treurnicht question Mr Botha's labour policy?

Most observers believe that, in his customarily subtle way, he did.

The Prime Minister, after a Cabinet meeting, claimed, however, that there were no differences on princi-

ples among Ministers.

At the same time, he said that "differences of opinion should be settled mutually or in the Cabinet."

Nevertheless, the Treurnicht-Fanie Botha dispute simmers on.

Our belief is that Dr. Treurnicht, as in the case of Craven Week, takes a narrower view of policy than do nearly all his other Cabinet colleagues.

With his strictly doctrinaire approach, he can make it difficult for the Prime Minister to move ahead with reform without being overly-conscious of his Right wing, of which Dr. Treurnicht is the uncrowned leader.

The second question is whether Mr Fanie Botha should have given his provincial leader a slap in the face by refusing to give him his full confidence.

Although Mr Botha claims they have since settled their differences of opinion and has announced that he gives Dr. Treurnicht his wholehearted support, there are head committee men who want Mr Botha's scalp.

A special meeting of the head committee has been called to consider disciplinary action against Mr Botha, who may be removed from the deputy chairmanship.

What can be said with certainty is that the peace within the party is a very tenuous one; that the differences, call them of opinion if not of principle, are very much there, if not always in the open then under the surface; and that until the differences are resolved, if they can be resolved, the party's unity will be in danger.

The next few months may be decisive.

TRADE BALANCE CONTINUED DECLINE IN MAY

Johannesburg THE CITIZEN in English 24 Jun 81 p 19

[Article by Daan de Kock, financial editor]

[Text] SOUTH Africa's favourable trade balance in May shrunk further and the chances that the total deficit on the current account will reach R2 000-million this year, as forecast by many prominent economists, is becoming now much more of a reality.

Preliminary figures published by the Department of Customs and Excise in Pretoria show that the favourable trade balance for the first five months of the year tumbled to R155,8-million, which was R2 723,7-million less than the corresponding period the previous year.

The narrowing of the surplus is mainly due to the fact that exports are still levelling off while imports are continuing with their upward trend.

Imports for the first five months of the year now total R7 022,8-million, which is 39,4 percent higher than the R5 028,5-million recorded in the same period the previous year.

Exports for the first five months of the year dropped by 13,6 percent from R8 308-million to R7 178,6-million.

Exports of gold bullion and imports of oil and military

equipment are now included in the figures.

Part of the decline in export earnings must be directly as a result of the lower gold price.

Unless there is a big improvement in the gold price — something which at this stage looks impossible — the drop in export earnings in the coming months will probably accelerate. On the other hand, most economists expect that South Africa's total import bill can rise something like 25 percent this year. Taking this into account and the fact that the country normally shows big deficits on services, dividends, insurance and shipping, a total deficit of R2 000 million does not seem very far fetched.

A breakdown of the figures shows that South Africa's trade with Europe is still very buoyant. Imports from Europe in the first five months of the year totalled R2 878 million while exports were R1 904,6 million. This compared with imports of R2 104,9 million and exports of R2 192,5 million respectively for the same period the previous year.

In the case of the US the five months' import figure this year was R1 096,2 million (R786 million) while exports were R768,4 million (R668,8 million).

For Africa, imports were up from R113,2 million the first five months of last year to R124,5 million this year. Exports were down from R449,6 million to R401,5 million.

Import and export figures reflected in the statement of the Department of Customs and Excise have been adjusted largely to bring them into line with the requirements for the compilation of the balance of payments, Sapa reports.

Other unclassified goods and balance of payments adjustments in the first five months of the year were: R1 793,8 million in terms of imports and R3 261,4 million in exports. The corresponding figures for last year were R1 756,5 million in imports and R3 930,5 million in exports.

STATUS, PROSPECTS OF MINING INDUSTRY DISCUSSED

Johannesburg THE CITIZEN in English 24 Jun 81 p 21

[Article by Daan de Kock, financial editor]

[Text] THE South African mining industry plans to spend R12 000-million over the period 1980-1985 and create new job opportunities for 100 000 additional workers.

It was, however, difficult to see how the expansion plans could be implemented in the face of the worsening skilled manpower situation, the president of the Chamber of Mines, Mr R S Lawrence, said in Johannesburg yesterday.

Speaking at the annual meeting of the Chamber of Mines, Mr Lawrence said that in the nine months to March this year, the number of vacancies for skilled workers on the gold mines alone increased by more than 40 percent to 2 609, of which 1 800 vacancies or 39 percent were artisans, mainly electricians, fitters and boilermakers and 804 or 26 percent for holders of blasting certificates.

To the extent that new mining industry projects were delayed, postponed or cancelled, so would the social and economic progress of the country as a whole be retarded, said Mr Lawrence.

He said he believed the starting point to alleviate the situation was to give basic schooling to everyone because the White population was too small to supply all the skills necessary to

maintain a rapidly expanding economy.

Referring to mining's economic muscle, Mr Lawrence said as a generator of economic activity the importance was greater now than at any time since World War II. "It would, however, be wrong to deduce that it has reached its zenith in view of the country's capital expansion programmes. Clearly the mining sector remains a dynamic and developing sector with the best years ahead," he said.

It was essential for the wellbeing of the mining industry that co-ordinated and effective efforts be made to reduce the rate of inflation.

"A comprehensive campaign against inflation will require firm action. In the first place, legislative and bureaucratic restrictions on the development and training of all sectors of the country's labour force must be removed," he said.

Mr Lawrence also hit out at the current practice of pricing many of the country's raw materials on a cost-plus basis through the price control system. He said this would have to be reviewed.

Also the tendency to adjust wage rates by amounts which equate to increases in the rate of inflation should be eliminated while the over-protection of domestic industry must be gradually phased out.

Other important points made by Mr Lawrence were:

- Japan could prove to be the largest market in the world for Krugerrands on a per capita basis. He also disclosed that a new potential Krugerrand market worthy of attention had been revealed in Argentina and said a Krugerrand test market programme was planned there this year.

- Production of uranium by members of the Nuclear Fuels Corporation, the Chamber of Mines uranium producing and marketing organisation, increased by 28 percent to reach 7 109 tons last year. This followed a 22 percent increased production in 1979 and the production was likely to increase over the next few years as plants which had been commissioned and those still to be commissioned fulfilled their commitments under long-term uranium sales contracts.

- The outlook for the coal mining industry was bright, in terms of coal availability and future demand and if the forecast demand pattern was correct the industry would clearly have to expand its capacity.

- That in the immediate future it appeared unlikely the gold price would vary greatly from the present relatively stable level because it appeared there was a closer balance between supply and demand at present.

SMALL BUSINESS COUNCIL STATES OBJECTIVES

Johannesburg THE CITIZEN in English 25 Jun 81 p 22

[Text] THE Council for the Promotion of Small Business, established to evolve a comprehensive policy to promote the efficient management of small businesses, held its constituent meeting in Pretoria yesterday.

In a speech after yesterday's meeting, the Minister of Industry, Commerce and Tourism, Dr Dawie de Villiers, said he saw the council as another vehicle of co-operation between the State and the private sector in an effort to promote small business development in Southern Africa.

"In time, therefore, I am confident that the council will also make a material contribution towards the attainment of our country's overall economic objectives of raising the living standards and general quality of life of all peoples in Southern Africa."

The council, chaired by Professor P C Fourie, has as its task, among other things:

- Evolving a comprehensive policy to promote small business undertakings.
- Identifying the problem areas hampering the development of such businesses.
- Considering and making recommendations concerning the allocation of available funds to those institutions actively involved in providing training, advice and guidance to small businessmen, or undertaking research in this connection.

"In the course of its duties, the council will also pay particular attention towards the co-ordination of the activities of the various institutions involved in this regard."

"The council will in time develop its own identity, attitudes and policy approaches, but it will inevitably have to take due cognisance of the objectives of the concept of a constellation of states in Southern Africa," Dr De Villiers said.

The council would, for example, have to pursue and propagate the spirit of co-operation and development, firstly in the Republic, but eventually transcending national borders.

"Next, it will be committed towards the objective of establishing a better distribution of economic activities among all population groups and in all regions of the country."

"Likewise, it will have to take due cognisance of the specific drawbacks and needs of the small entrepreneurs of the various population groups, and see that it strives to maintain and promote a sound balance which will benefit each group to the same extent."

He said there was a clear line to be drawn between the policy approach of the Small Business Development Corporation — a joint venture between the Government and the private sector with an initial share capital of R150-million.

BRIEFS

COLGATE STRIKE SETTLEMENT--The Chemical Industrial Union and Colgate-Palmolive Limited had agreed to a settlement in the dispute for union recognition at the company's Boksburg plant, the parties said in a joint Press release in Johannesburg yesterday. "On Friday last week Colgate-Palmolive informed the Chemical Workers' Industrial Union that Colgate agreed to recognise, in principle, the right of the union to negotiate wages and conditions of employment on behalf of its members on an in-plant basis, conditional upon the provision by the union of a written undertaking to call off strike threats and the consumer boycott of Colgate's products." The union welcomed Colgate's acceptance of the principle of in-plant bargaining for wages and conditions of employment. Accordingly, the union had called off both the strike and the product boycott. [Excerpts] [Johannesburg THE CITIZEN in English 23 Jun 81 p 2]

DETENTION SACC MINISTER--The director of mission and evangelism of the South African Council of Churches, the Rev Sol Jacobs, was detained at his Pietermaritzburg home yesterday, according to the council's general secretary, Bishop Desmond Tutu. In a statement released in Johannesburg, Bishop Tutu said Mr Jacobs had been arrested at about 5.00 am after Security Police had searched his house and office. According to the statement, Mr Jacobs is being held under section 50 of the Criminal Procedure act. Bishop Tutu insists that he be either charged or released. At the time of his arrest Mr Jacobs was organising a consultation on the churches' ministry to refugees, which is to take place in Johannesburg tomorrow and Thursday.--Sapa. [Text] [Johannesburg THE CITIZEN in English 23 Jun 81 p 3]

DETENTION OF AZAPO LEADER--The national organiser of the Azanian Peoples' Organisation, Mr Thabo Ndabeni, has been detained at his Mofolo home, an Azapo spokesman said in Johannesburg yesterday. He did not know under which law Mr Ndabeni was being held. Mr Ndabeni was detained for 19 days in April, after unrest at Tembisa Township when residents protested against increased rents.--Sapa. [Text] [Johannesburg THE CITIZEN in English 24 Jun 81 p 3]

CSO: 4700/104

DPM SLAMS REPORTS ON REFUGEES

News Allegations Hit

Mbabane THE TIMES OF SWAZILAND in English 17 Jun 81 p 1

[Text] The Deputy Prime Minister, Senator Ben Nsibandze has reacted strongly to allegations by some news media that the Swaziland government condones groups of people to operate from the Kingdom against any of its neighbouring countries.

In a Press statement issued yesterday, Senator Nsibandze stated that government here was very concerned about various erroneous newspaper reports about the refugee situation in this country, and "would like to put the situation in its true perspective."

Swaziland, he said, is a signatory to the 1967 Protocol relating to the status of the refugees which made the Kingdom a party to the 1951 UN Convention on refugees.

"As a party to the above-mentioned documents, and in line with Swazi tradition and custom, the Kingdom has received refugees of various nationalities as defined by the international legal instruments relating to refugees," said the Deputy Prime Minister.

He declared: "While committed to the principles of the 1951 UN Convention on refugees and in the interest of national security considerations, under no circumstances will Swaziland provide military bases to any group of people to attack her neighbouring countries."

As a country of limited land mass and limited employment opportunities, he said Swaziland can only provide transitory and passage facilities to some refugees.

The Deputy Prime Minister stated that the Swaziland government has repeatedly and continued to rule out the use of force as a means of solving political problems of the world.

"Having also opposed the sale of arms by other countries to troubled spots in the world, particularly in Africa, Swaziland has publicly based its stand among the non-aligned nations, and the Organisation of African Unity on the "dialogue" aspect of the Lusaka Manifesto."

He made it clear that because of economic and other constraints, Swaziland often needs special external material and financial assistance for the care, maintenance and education of refugees.

Such assistance, he said was usually arranged through the United Nations High Commissioner for Refugees and that this assistance was for humanitarian and not military purposes.

He also pointed out that Swaziland has on several occasions made clear its distaste for any deliberate policy anywhere which discriminates amongst people according to race, colour, religion or ethnic origin.

"In view of the foregoing, it would be far from reality for some news media to allege that the Government of Swaziland condones group of people to operate from Swaziland soil against any of its neighbouring countries," concluded Sen. Nsibandze.

The DPM's remarks follow an article published in a South African Sunday newspaper two weeks ago which said, among other things, that South Africa's African National Congress '...is building a youth force in Swaziland, particularly at their refugee school/camp at Mphaka near the Mozambique border.'

The article also alleged that two of the newspaper's reporters met '...an ANC General at a secret base camp in Swaziland.'

Policy Stated

Mbabane THE TIMES OF SWAZILAND in English 19 Jun 81 pp11, 12

[Text] Statement on "Swaziland refugee policy" made by His Excellency Senator B. M. Nsibandze, Deputy Prime Minister, on the occasion of Africa refugee day, June 20.

Today is an important day to all Member States of the Organisation of African Unity and especially in the lives of the millions of our unfortunate African brothers and sisters who have been uprooted from their natural habitations by events which are not of their making.

It is apt, perhaps, on this day, that as Minister responsible for refugee matters I should enunciate, in a consolidated form, our "Swaziland Refugee Policy".

The objective is to enable all those individuals and groups who are concerned with refugees to understand our position in relation to the prevailing circumstances.

Swaziland has a long history of the refugee problem. Many of our citizens were once refugees or displaced persons. They found security and prosperity here and have contributed quite significantly towards the development of this Kingdom.

For a long time refugees were considered a temporary phenomenon. Now we have to recognise that this is not so. There still are many people in many parts of Africa who have had to flee their countries--much against their will.

Unfortunately, crises which lead to the endangering and displacement of human beings have become commonplace in Africa, thus Africa has now come to be known internationally as the continent that has the largest number of refugees.

Questions about refugees are sensitive, controversial and challenging and deserve continuing analysis by all concerned. No one has all the answers and as Minister for refugee matters I am not insensitive to the general views about accepting political asylum seekers and the treatment of refugees in Swaziland.

Individuals need to know the parameters of our refugee policy. The international community including the local and international voluntary agencies need to know the factors that influence the government to act in the manner it does in relation to refugees.

The Swazi community as a whole needs to know what Government's attitudes are towards the admission of refugees having different racial, cultural and economic backgrounds.

Government has sought, in reaching policy decisions on refugees, to harvest thoughtful views from every field of authentic Swazi opinion. Furthermore government has more broadly than at any time in the past, tried to place the views before the international community, as my speech to the International Conference on assistance to refugees in Africa can show.

That conference was held in Geneva the seat of the United Nations High Commissioner for Refugees to whom I have repeatedly explained Swaziland's position vis-a-vis the refugee issue in Africa particularly in Swaziland.

Government has sought to present the policy decisions in clear and concise terms, but still there are some misunderstandings. There are arguments which I think are proceeding on false premises. On behalf of the Swaziland Government I have to state the main points of our refugee policy.

Following the Soweto student uprising of June, 1976 Swaziland had to undertake a most comprehensive review of its refugee policy and mechanisms.

Changes had to be made, and those changes represented no threat to genuine political asylum seekers. They were intended to close off loopholes and abuses of policies by those who attempted to circumvent our laws and exploit our hospitality.

For Swaziland, as a country of very limited land mass, with a fast growing small population, the refugee question is one of the most pertinent and complex we have to face in international affairs.

For Swaziland, the major element of our traditional refugee policy has been to provide sanctuary to genuine refugees according to International Conventions provided that they do not interfere in internal politics and engage in subversive activities against Swaziland and/or other states. This is one of the basic tenets of our foreign policy.

Some people need to be reminded about what refugees are.

They are people who have fled from their home areas to escape different forms of persecution. Often they have fled in fear of their lives and, more often than not, with few or no possessions with which to start a new life in another country.

Misery and human suffering in all their most degrading forms set the refugee apart from the traditional economic migrant. As such they deserve compassion and, certainly, help.

On behalf of His Majesty's Government I would like to express our gratitude to the Swazi community and the voluntary agencies for what they are doing to relieve the plight of refugees in Swaziland.

In the same vein I must thank those members of the international community who have joined forces with us in trying to create better conditions for the homeless, jobless and hopeless refugees.

Our refugee policy is different from all other policies in respect of human need.

People must recognise that a refugee policy presents the challenge of accepting people who have problems and require all manner of social services for survival.

The Swaziland refugee policy is nondiscriminatory. It is based on humanitarian considerations and in accord with our international obligations.

To this end, Swaziland ratified the 1967 United Nations Protocol relating to the status of refugees and thereby undertook to apply the substantive provisions of the 1951 Convention on refugees. It is important to note that Swaziland entered two reservations in respect of the application of Articles 22 and 34 of the 1951 Convention.

It is a pity that violent political upheavals in many countries, some of them not very far from our region, are intensifying the process of making millions homeless and forcing people to flee their indigenous home areas in search of sanctuary in other countries.

These refugees come from both the urban and rural areas. Rural refugees are special type in that they need land for crop production, cattle grazing and human settlement, apart from all kinds of social services.

In spite of national problems of under development, Swaziland is in the process of acquiring additional land, which is in private hands, for the purpose of resettling 5 400 rural refugees of the Matsenjwa and Mngomezulu clans.

Some people suggest that we should take in more refugees from other countries. They do not realise our own domestic constraints.

It is common knowledge that there are hundreds of students refugees at all levels of our education system. In addition, many refugees who opted to take out Swazi citizenship in the normal way, have since become fully fledged citizens of this Kingdom.

The point that must be born in mind is that Swaziland went out of her way to provide to refugees opportunities which were very hard to create. But even then some people do not appreciate this fact. Refugees still complain about our procedures and criteria.

The Swaziland Government has already started contributing to the United Nations High Commissioner for Refugees annual programme the meagre sum of E1 500. Were it not for our domestic financial constraints we would have liked to contribute more than we are doing now.

Talking of financial constraints, there are other important constraints which cannot be ignored. Swaziland's capacity to accept refugees is not unlimited.

It depends on factors which include the prevailing economic situation, the availability of employment, the background of the refugees, the availability of special post-arrival services, education and the capability to provide security for the inhabitants of Swaziland against evil-minded people whose joy lies in destroying and not in constructing that which constitutes life.

A balance has to be struck between our willingness to respond humanely and our ability to do so.

The Governments' refugee policy is based on five principles:

- (i) Swaziland fully recognises its humanitarian commitment and responsibility to play its part with the rest of the world in the handling of refugees.
- (ii) The decision to admit refugees must always remain with the Government of Swaziland; as at all times Government has to ensure that only genuine refugees are granted asylum.
- (iii) Special external assistance will often need to be provided for the care and maintenance of the refugees in Swaziland, and for their movement for resettlement elsewhere.
- (iv) The interests of some refugees may be better served by resettlement in countries elsewhere.
- (v) In the interest of considerations of national and personal security of people and property. Swaziland can only provide one way transit and passage facilities to some refugees.

To clarify some of the principles upon which the refugee policy is based, the following points must be made:

1. Refugee policy is applied on a basis which is non-discriminatory. The principle of non-discrimination means that that policy will be applied consistently to all applicants regardless of their creed, race, colour, nationality, descent, national or ethnic origin or sex.
2. With the exception of rural-based refugees, applicants are considered for the refugee status as individuals or individual family units, not as community groups; even under such circumstances as the granting of asylum of rural refugee groups (settled on designated areas in Swaziland) the criteria for selection are related to the special circumstances of individual applicants.

3. Eligibility and suitability standards reflect Swazi social norms and Swazi law. The concept of extended family system, for eligibility purposes, are derived from the Swazi norm, that is, the unit extending beyond husbands, wife and minor unmarried children.

4. Policy governing refugee acceptance and resettlement are based on the premises that rural refugees in particular should integrate into the Swazi society. Refugees will be given any assistance to discard all practices and beliefs that are inconsistent with the general Swazi way of life.

5. Refugees are free to engage in any trade or occupation in the private sector. They are not subject to localisation because they have very limited opportunities of finding jobs elsewhere.

They are free to compete for positions with all other applicants.

One thing refugees have to guard against is the possibility that some political asylum seekers do not have a well-founded fear of persecution in their home countries. These are the people that compound the refugees problem so much so that our policy is regarded as unbending.

The processing of applicants for the grant of the refugee status is supposed to be fair, and systematic and so we are confident that wolves in sheep skin will continue to be caught out but without the support of the refugees themselves our task will ever remain arduous.

Some people have suggested that we should change our mechanism because it is tough and tight. Experience has clearly shown that it is hard to tell as to who is your brother's keeper. It is for this reason that the most stringent precautions are taken to ensure that only genuine refugees are allowed to pass through or remain in Swaziland to ensure that there are no threats to the people and country.

Much innocent blood has, for too long now, been shed in Africa. There is no need for more blood to be shed. Africa is already overburdened with millions of refugees. The majority of these refugees, regrettably, comes from least developed countries which are unable to handle them without external assistance made. The unfortunate position is that political upheavals retard Africa's economic development.

There is no time in the history of our continent when Africa needed peace more than the present epoch. We in Swaziland firmly uphold the noble principles of the Lusaka Manifesto regarding the liberation of Africa.

We believe that Africa must strive to remove the last vestige of colonial hegemony by peaceful means.

To us in Swaziland, it is folly to destroy and wise to construct that which belongs to humanity as a whole. We therefore hope Africa will promote and pursue programmes that will reduce the increase of refugees.

CSO: 4700/108

UNDP CHIEF ENDS VISIT, PM SPEECH REPORTED

Mbabane THE TIMES OF SWAZILAND in English 17 Jun 81 p 1

[Text]

IF THE SWAZI nation is to succeed in reducing the presently high infant mortality rate in this country, educating, counselling and helping the ordinary Swazi mother to take a better care for her ~~children~~ start now, says the Prime Minister, Prince Mabandla.

Speaking at a farewell function at the home of the outgoing UNDP Resident Representative Mr. S. Shahid Humain in Mbabane yesterday, the Prime Minister described the Programme for Better Family Living as a programme of ~~immense importance~~ to the Swazi nation.

"This he said, was so because the programme's services were directed at improving the well being of the basic unit of society, the family.

"If we are to attain our objective of achieving health for all by the year 2000, we must start now to improve the living standard of the ordinary Swazi family," said the Prime Minister.

Prince Mabandla stated that the ultimate success of the Kingdom's socio-economic programmes would largely depend upon the existence of a wide spectrum of socio-economic development strategies that are mainly focused on the Swazi family as a unit of society.

He added: "We are therefore most grateful to you, Sir, for having included a programme of this nature in the economic assistance package of your organisation".

The Prime Minister, thanking Mr. Humain for all the assistance the UNDP has provided to Swaziland during the past years, mentioned among others the lighting system which, the pm, ~~was~~ under his (Mr. Humain's) guidance, helped to instal at Matsapha Airport.

"That was one of the many valuable improvements to the economic infrastructure of our country we have had the honour to receive in recent years from the UN system of which we are so proud to be a member", he said.

The Prime Minister expressed the confidence that Mr. Humain's successor will continue to build on what Mr. Humain has done and, "in fact I believe that he will have an easier task in further consolidating the various UNDP activities in this country."

Speaking at the same occasion, Mr. Humain said having lived and worked in this country for almost six years, he and his family were finding their departure a painful experience and parting company with so many dear friends here had become an uneasy task.

"Although we had known that at some stage our tour of duty here will end, as it did in other postings before, and we had

mentally prepared ourselves for the inevitable move, now that this is happening we can not help feeling sad about it," he stated.

This, he said was because of the generosity with which he and his family were received and accepted in Swazi society, and the confidence and immeasurable amount of trust with which the nation permitted him to work here.

Mr. Humain's term of duty here officially ends at the end of this month and will be going to the UNDP headquarters in New York where he is to take up new appointment as Deputy Director of the Special Unit for Technical Co-operation among developing countries.

PRIME MINISTER DENOUNCES RITUAL MURDER

Mbabane THE TIMES OF SWAZILAND in English 9 Jun 81 pp 1, 2

[Article by Pat Nxumalo]

[Text] **RITUAL KILLINGS** in this country do not only cause immeasurable anguish and sorrow to many Swazi families but are also a humiliating stain on the Swazi nation as a whole, says the Prime Minister, Prince Mabandla.

Addressing an inkhundla meeting at Shiselweni One at the weekend the Prime Minister described ritual killings in this country as a serious social problem that has plagued this nation for many years now and which is continuing to cause anxiety and apprehension to many communities.

He said this was an abominable evil against which the nation must fight with all the strength at its disposal.

"This disgraceful and barbaric practice does not only cause immeasurable anguish and sorrow to many Swazi families but is also a humiliating stain on the Swazi nation as a whole," said the Prime Minister.

He then made a strong plea to his listeners to join hands with the country's police force in stamping out this evil and stated that, in fact, it is a national duty of every citizen in the country to come forward and give evidence against any criminal offender.

"In performing this duty as a citizen, you should never be discouraged by the searching questions that are put to you as a witness in a court hearing," he advised.

The Prime Minister reiterated what he told the Esandleni community recently about the need for the restructuring of the Kingdom's present rural development programmes in such a way as to maximise the impact of the nation's limited development resources.

The restructuring, he feels, should also

take into account the current problem of a rapidly growing population and shrinking land resources.

"The required reforms must include a more realistic approach to the question of rural land settlements by working towards the establishment of properly planned and consolidated rural villages or townships", said the Prime Minister.

These changes, he said, must also include a sustained programme of reducing the present stock numbers to a level that is compatible with the carrying capacity of the available grazing land in the country.

On the question of food production once the people have been grouped together into rural villages, he felt an appropriate scheme could be devised whereby the villagers are provided, on a pool system, with tractors and other implements for use in their farming operations.

In this way, the Prime Minister said the need to keep a large number of drought animals could be eliminated and that this could be one of the strategies of alleviating the acute overgrazing problems in this country.

Still dealing with crop production on a commercial scale, Prince Mibandla stated that in essence, this meant that Swazi farmers must be allowed a greater access to credit facilities if this country is to succeed in transforming the agricultural activities of the rural areas from subsistence to commercial farming.

"Very few business undertakings can survive nowadays without being supported by borrowed funds. Similarly, meaningful farming is just not feasible without access to loan capital," he said.

If the Ministry of Health wants to see a healthy nation, it must continue its noble efforts of bringing the nurses' salaries and conditions of service to a more realistic level, says Dr. A. B. Gamedze.

Speaking at a nurses' graduation ceremony at the Raleigh Pitkin Memorial Hospital in Manzini last Friday, Dr. Gamedze said nurses' training institutions should always bear in mind the principle that nursing knowledge is only of value in proportion to the number of situations to which it applied.

Dr. Gamedze said it was important for training institutions in this country to remember that, second to the nation's health, "superstition" is the nurses' biggest challenge in the Kingdom.

For that reason, he felt a simplified course on para-psychology should be introduced to cover such aspects as differences between demon-possession and mental illness.

The course could also cover such aspects as psycho-somatic diseases (tifo tesintfu) and common diseases; "real and imagined powers of communicating with or manipulation of the spirits of the dead ... who are no more than demonic manifestations masquerading as the spirits of our departed loved ones -- giving the impression that the "psychic priests" (tangoma) have certain transcendental powers over the dead."

Dr. Gamedze told the graduating nurses that these "tangoma" or "tanusi" are in fact under the control and direction of the devil's angelic beings."

Such general knowledge, of supersensory perception, including hypnotism, clairvoyance, telepathy would enable the nurses to heal the diseases of the whole man--the body, the mind and the spirit.

He called upon the Ministry of Education to see to it that between primary and high school, such curriculum content of general science as physiology and religious knowledge, as would deliver "our pupils from traditional superstitions" is faithfully taught by competent teachers.

Dr. Gamedze, who is President of the Swaziland Conference of Churches and former Minister for Education, stated that such knowledge would enable the pupils to regard ritual murder as scientifically untenable or an expression of mental illness.

"Religious knowledge, if properly taught would enable the pupils to regard the acts of ritual murder as gross sinfulness, which can find its total deliverance in Christ's finished work on Calvary's Cross", he stated.

The Ministry of Home Affairs, he said should encourage the rural population through the chiefs' councillors, Tinkhundla and Regional Councils to take the rural nurses' lectures on health very seriously.

The Ministry of Agriculture, he said should confirm and support the nurses lectures on balanced diet by encouraging the Swazi nation to grow and eat more and more vegetables as a supplement of their daily starchy foods.

Dr. Gamedze also recommended that the Ministry of Health should encourage young men with a genuine calling and aptitude to take up male-nursing as a career, because there are many cases and situations which require the services of a male nurse.

CSO: 4700/100

SEVEN CONVICTED OF RITUAL MURDER WIN APPEAL

Mbabane THE TIMES OF SWAZILAND in English 9 Jun 81 p 1

[Text] SEVEN MEN who were convicted of ritual murder and all sentenced to death late last year have jointly won their appeal case in the recent Court of Appeal sitting.

The men, Bhambada Khumalo, Mponono Dlamini, Cezuka Hlatshwayo, Mkhulu Dlamini, Moses Dlamini, Mkhombiseni Hlatshwayo and Jabulani Dlamini were all found guilty of the murder of a 60 year old woman Gubada Dlamini at the E5 Compound in Bhunya on the 14th of November 1978. They were sentenced, by the Chief Justice, Mr. Justice C.J. Nathan, to death on November 28, last year.

According to one of the Defence Counsels, Mr. Peter Dunseith, who

represented Mponono Dlamini both at the trial and at the appeal, one of the grounds on which these men have been acquitted was that the Court of Appeal established the trial court had wrongly taken into consideration the evidence which was led in the case against Mvundani Dube.

Dube, who was the chief Crown witness in this case, was earlier convicted of the same murder and also sentenced to death. He is presently in the Matsapha Maximum Security goal. The Court of Appeal found that in his judgement against the seven men, Mr. Chief Justice Nathan had attached much importance to the circumstances

surrounding Dube's conviction and had used these against the seven accused. The appeal court also found that Dube, who had a confession before being tried, was not corroborated in his evidence for the Crown.

The police pathologist, Dr. Khara, who carried out the post mortem examination, said death was due to strangulation. The lobe of an ear had been cut off.

The appeal case, presided over by the Judge President of the court of Appeal, Mr. Justice Maisels was heard in the High Court on the 3rd of this month. Mr. Maisels was sitting together with Mr. Justice Dendy Young and Mr. Justice Isaacs.

CS0: 4700/100

BRIEFS

COMMERCE MEN CHOSEN--The Swaziland Chamber of Commerce and Industry held its annual general meeting at the Swazi Inn this week. The new executive committee members elected during the meeting are Mr. J. L. Ayton, president; Mr. Zacks Nkosi, vice-president. Committee members for the chamber's section are Mr. H. Bird; Mr. R. M. Taft and Mr. W. Firth and for the industrial section are Mr. H. C. Noddeboe, Mr. W. A. Belsham and Mr. H. Alexander. [Text] [Mbabane THE TIMES OF SWAZILAND in English 18 Jun 81 p 1]

'RITUAL' DELAY--The date of judgement on the second application for bail made by Senior Police Officer, Superintendent Jeremiah Dube, who is presently in custody awaiting the start of his ritual murder case, has been postponed indefinitely. Superintendent Dube is due to appear in court, together with two others, on the 12th October later this year, in connection with the ritual murder of an old lady, Rhodinah Mkhathshwa, at Siteki in December, 1975. His first application for bail was rejected earlier this year by retired Judge, Mr. Justice David Cohen. Dube has since lodged a second application to Mr. Chief Justice Nathan which was heard last Friday. He claims, in his grounds, that his state of health requires constant medical attention and his release from custody. According to the Registrar of the court, Mr. Mark Fakudze, Dube also alleges that there seems to be unnecessary delay for his trial to come before the court. He told the court that he has no intention whatsoever of skipping the country. [Text] [Mbabane THE TIMES OF SWAZILAND in English 17 Jun 81 p 1]

CENTRAL BANK CHANGES--The Central Bank of Swaziland has a new Governor, the first since the bank assumed its new status from being a monetary authority in 1978. The new Governor is Mr. Herbert Brian Bramford Oliver, who was Deputy Governor of the then Monetary Authority of Swaziland from 1976 to 1978, when he left the country. The appointment made by King Sobhuza II was announced by the Minister of Finance, Mr. J. F. L. Simelane. The bank's Acting Governor, since 1978, Mr. A. D. Ockenden is leaving the country at the end of this month. A farewell function for Mr. Ockenden and his wife was held in Mbabane this week during which tributes were paid to the outgoing Governor. He arrived in Swaziland in 1978 as a technical expert under the International Monetary Fund's technical assistance programme and has since that time been Deputy Governor of the Central Bank, and in the absence of a substantive Governor, been Acting Governor of the bank. [Excerpt] [Mbabane THE TIMES OF SWAZILAND in English 18 Jun 81 p 1]

NIDC APPROVES OXYGEN PLANT--Following discussions between top officials of the Afrox group in South Africa and the Chairman of the National Industrial Development Corporation, Prince Masitsela, the Corporation's board of directors have agreed in principle to the establishment of an oxygen and acetylene plant at Swazi Oxygen in Matsapha. The agreement was made pending the report of a feasibility study currently being carried out in regard to this set-up. According to a statement from Swazi Oxygen, the project is estimated to cost between three and E500,000 when finally completed. Presently, Swazi Oxygen imports liquid oxygen in bulk and pumps it into cylinders at their plant. Acetylene is obtained in cylinders from South Africa. The latter gas produces a very high temperature flame when it burns. Its greatest use however, is as a chemical raw material for the manufacture of plastics. [Text] [Mbabane THE TIMES OF SWAZILAND in English 8 Jun 81 p 2]

CSO: 4700

MUGABE ON RELATIONS WITH SOUTH AFRICA

Johannesburg THE STAR in English 9 Jun 81 p 19

[In an exclusive interview with Robin Drew of THE STAR's Africa News Service, the Zimbabwe Prime Minister, Mr Robert Mugabe, discusses his country's relationship with South Africa--and vows that even if the position should deteriorate and cause Zimbabwe to suffer, the country will survive.]

[Text] SALISBURY — If the game got rough between South Africa and Zimbabwe, it would be rough the whole way through, the Zimbabwe Prime Minister, Mr Robert Mugabe, said yesterday. But he hoped it would not come to that.

Mr Mugabe was speaking about his country's relations with South Africa in an exclusive interview with The Star's Africa News Service.

He was asked to comment on the statement by the South African Prime Minister, Mr P W Botha, that the opening of an African National Congress office in Zimbabwe would be regarded as a prelude to action, and that South Africa would deal with this in the way it found proper.

Mr Mugabe said: "We are entitled to give political support to the liberation movements in South Africa and Namibia. It is our duty under the Organisation of African Unity charter.

"We are committed to fostering the liberation struggle. We have said we will not create conditions in this country which can

be used by any organisation for carrying out military attacks against our neighbours, including South Africa.

"We have stuck to this, and South Africa should be the first to recognise

that — especially in a situation where its own behaviour lends itself to condemnation by us. They are harbouring thousands of elements from this country, training them and preparing them for possible attacks against us.

"It is not South Africa which should have spoken on this occasion. We should have asked South Africa what it is doing with our nationals on its territory."

Mr Mugabe said Zimbabwe was definitely entitled to give liberation movements the facilities needed for their political struggle.

"I do not see any reason why we cannot provide these facilities," he said. "They are merely political, they are not military. But for now we have not provided them. There are no offices here. There may be ANC and PAC people, as well as other refugees from South

Africa."

The Prime Minister was asked if Zimbabwe could survive if, in the event of sanctions being applied against South Africa, fuel supplies to Zimbabwe were cut off.

He replied: "I do not ever imagine the time will come when Zimbabwe will be buried and a big cross erected with the inscription 'Rest in peace'. Zimbabwe will continue to live no matter what the hardships. If South Africa decided to topple us, we could suffer. But we will get through the suffering. That is for certain."

The Prime Minister added "Sanctions are a doubled-edged sword. What South Africa can do to us, we can also do to it.

"There are investments here which belong to South Africa. If it is a rough game, it will be rough the whole way through. We will be prepared for it, but we hope it will not get to that.

"Our own attitude is that we should restrict our hostility to what is political.

"We hope that South Africa will also recognise that we have left an area where relations can be

harmonious — that is the economic and trade areas.

"If South Africa will reciprocate, we will reciprocate. But if South Africa is going to adopt stern measures against us, we will adopt stern measures against it too."

Mr Mugabe said South Africa could help to reduce tension in the region by removing the retrograde steps it had taken in economic sphere.

"Apartheid stands between us and South Africa," he said.

"It is the main obstacle. If it were removed, I am sure that with a democratic society in South Africa there would be no problems in our relations."

CSO: 4700/102

PM URGES MINES TO WORK FOR PEOPLE

Salisbury THE HERALD in English 20 Jun 81 p 1

[Text] THE Prime Minister, Mr Mugabe, yesterday called on private mining enterprises to work more closely with the Government and to concern themselves with the welfare of the people.

The Government, he said, attached great importance to the "double objective" of these companies in serving both their own interests and those of the people. It was determined to see these objectives were achieved.

However, Mr Mugabe assured private mines such as Shabani, where he was speaking during a lunch for the visiting Korean Prime Minister, Mr Li Jong Ok, that they had a major role to play in Zimbabwe, reports Ziana.

As long as they played a "constructive role", he added, they would have their own interests safeguarded, assuming these did not go against the interests of the people.

Mr Mugabe later told a rally in Shabani the Government was considering lowering fees for secondary school education next year.

Last year the Government made all primary schooling free.

The ZBC said Mr Mugabe also urged people to be self-reliant in all their productive endeavours, and to strengthen their unity.

A joint communique is due to be released today to mark the end of the official five-day visit to Zimbabwe by Mr Li, writes Tonic Sakaike.

Mr Li yesterday held his final round of talks with Mr Mugabe in Shabani where the two leaders linked up from Kariba and Salisbury respectively.

Mr Mugabe later said he had held an "urgent meeting" with Mr Li which is believed to have finalised details of the communique.

The Korean Premier completed his official programme by visiting Shabani and Redcliff near Que Que. He cancelled a planned tour of the Shabani mine complex because of the talks with Mr Mugabe.

The Korean delegation is due to fly to Pyongyang from Salisbury early this morning.

PRESIDENT MAPS OUT MAJOR SOCIALIST AIMS

Salisbury THE HERALD in English 24 Jun 81 p 1

[Text] MAJOR moves towards the Government's "fundamental philosophy of socialist egalitarianism" were outlined by President Banana when he opened Parliament yesterday.

President Banana said that the State would acquire more shareholdings in major enterprises, promote co-operatives and State trading, and participate in strategic industries whose continuing high degree of foreign ownership was a cause for concern.

He also outlined moves in the coming year to establish a national health system and to prepare for the introduction of compulsory primary education.

The President entered Parliament flanked by his wife wearing a red, black, green, yellow and white striped dress, embroidered with a massive red star in the style of the national flag, and he was escorted by the former guerilla commanders now leading the national army, Lieutenant-General Rex Nkhomo and Lieutenant-General Lookout Masuku. Outside, veteran Hawker Hunter jets of the Air Force of Zimbabwe flew past in salute.

The Prime Minister, Mr Mugabe, had earlier entered the Chamber in procession behind the Speaker, Mr Dabanyo Mutasa, alongside the leader of the RF, Mr Ian Smith.

The Minister without Portfolio and leader of the Patriotic Front, Dr Joshua Nkomo, was also in the procession followed by

his supporters and Bishop Abel Muzorewa.

Our political editor Ronc Sakaike writes that the President's 50-minute address in opening the second session of the first Parliament of Zimbabwe contained no deviation from previously stated policies, but it carried some definite plans for achieving them.

These included the setting up of a Demobilisation Directorate to administer a scheme for the return to civilian life of former members of the armed forces; the establishment of a Zimbabwe Development Fund to control aid and its use in earmarked projects; a Science and Technology Council to set policy guidelines and priorities in those fields; and a Metals and Minerals Marketing Authority to control and regularise the marketing of mineral products.

Proposed legislation includes a law making primary education compulsory and another to give "effective authority" to the Ministry of Manpower Planning and Development in co-ordinating and controlling manpower training.

The Royal Charter governing the University of Zimbabwe would be

replaced by Act of Parliament, a National Vocational Training Centre set up in Salisbury and a policy-orientated research centre, the Zimbabwe Institute of Development Studies, built.

President Banana promised laws to end discrimination against women and to improve their status in ownership of property and land and in majority status.

The President emphasised that in its efforts to rebuild and develop the country, the Government expected people to work hard and diligently.

The security situation was "in hand", but there were still too many signs of war being laid under the carpet.

Parliament would therefore be asked again this year to renew the state of emergency for another six months when it expired.

This was essential to ensure that law and order was maintained, but it was hoped that the six-month extension would be the last.

To ensure greater control of all firearms held by individuals, legislation would be introduced to amend the Firearms Act and there would then be a

complete re-registration of firearms.

President Banana said the success of Zimbabwe showed the international community wished Zimbabwe well and demonstrated its commitment and support for Zimbabwe's "realistic policies".

"The challenge is now on us all to live up to those policies and with our own resources together with those made available to us go forward and build a great country resting on the foundations of those policies," he said.

SHAMUYARIRA ON LINKS WITH MAPUTO

Salisbury THE HERALD in English 24 Jun 81 p 9

[Article by Davidson Maruziva]

[Text] **SOLIDARITY WEEK** means four things for Zimbabwe, Dr Nathan Shamuyarira, the Minister of Information and Tourism said when he arrived here last night.

Speaking at Maputo International Airport, Dr Shamuyarira told newsmen that the first aspect of Solidarity Week was that solidarity forged between the people of Mozambique and Zimbabwe during the war of national liberation.

"We would want to perpetuate that solidarity, which was crucial for the success of the national war of liberation," Dr Shamuyarira told reporters and delegations, which included the Mozambican Minister of Information, Mr Jose Cabaco, the Deputy Minister of Health, Mr Fernando Vaz and a chief information official, Mr Alves Gomes.

The second aspect of Solidarity Week, Dr Shamuyarira said, was in the task of reconstruction of Zimbabwe and Mozambique, because a lot of Mozambican property was damaged during the armed struggle for Zimbabwe.

"You will remember that in the Gaza, Manica and Sofala provinces, a lot of property was damaged during the bombings, so in this work of reconstruction,

solidarity is important.

"The third aspect of the importance of this week is solidarity in economic co-operation that we must now engage in to increase the pace of our development in our two countries to improve the lives of our people. This co-operation has already taken a concrete form in the organisation called the SADOC," the Minister said.

The two countries were the cornerstones of the economic co-operation envisaged under the SADOC, within the region covered by commission, he said.

Dr Shamuyarira said co-operation in the fields of tourism and information was working out quite well.

The fourth aspect of the importance of Solidarity Week was in co-operation in confronting the enemies of liberation in the region.

He said Zimbabwean groups were delighted to show the culture of Zimbabwe to Mozambique and to learn as much as they could.

The Zimbabwean delegation at the airport to welcome the Minister included Senator Joseph Culverwell, the Deputy Minister of Education and Culture; the Zimbabwean

Ambassador to Mozambique, Mr John Muvumba, and the man who led the Solidarity groups here, who is also the Deputy Secretary for the Ministry of Information, Mr Antony Ndoro.

Dr Shamuyarira was accompanied by the Deputy Minister of Labour and Social Services, Mr Robson Manyika.

CHIDEDE NAMED PERMANENT SECRETARY OF HEALTH

Salisbury THE HERALD in English 24 Jun 81 p 1

[Text] THE medical superintendent of Harare hospital, Dr Office Chidede, has been appointed the first black Permanent Secretary in the Ministry of Health.

Dr Chidede has already taken up his new position, the Minister of Health, Dr Herbert Ushewokunze, said yesterday.

Born in the Bindura district, Dr Chidede (39) was educated at Mabvuku primary school and at Harare secondary school.

After qualifying at the University of Zimbabwe he obtained a diploma in child health from the South African College of Medicine in Cape Town.

As a paediatrician he later became a member of the Royal College of Physicians in Scotland before lecturing at the university in Salisbury for 2½ years.

He was appointed medical superintendent of Harare hospital in December last year having previously been in charge of the neo-natal block of the hospital.

THE FIRST

Confirming his appointment yesterday, Dr Ushewokunze said: "I wish to congratulate him on his appointment which to us is a very important one. He becomes the first black permanent secretary in my Ministry."

Dr Chidede is married and has three children.

● Our Bulawayo correspondent writes that most of the appointments made

in the Ministry of Health recently are all in an acting capacity as far as the Ministry of Public Service is concerned and the candidates have still to be vetted by the Public Service Commission.

Among the appointments announced by the Ministry of Health recently are six senior positions at the Bulawayo Central hospital.

A spokesman for the Public Service Commission said yesterday that the commission viewed these appointments, together with others elsewhere, as acting positions.

"The commission has been, and is still, interviewing all the candidates and will be making its final decisions in the very near future after going through all the candidates," he said.

"In our view, the Minister of Health is free, like any other Minister to make recommendations for promotion to the commission but we still have to approve the appointments before any announcement can be made."

MUDZINGA CRITICIZES 'SLOW' MINISTRIES

Salisbury THE HERALD in English 25 Jun 81 p 1

[Text] The ZANU (PF) Chief Whip, Mr Arthur Mudzingwa, yesterday lashed out at Government Ministries for being slow in getting work done, and urged Ministers to make greater efforts to contact the people.

Introducing the debate on the President's speech in the House of Assembly, Mr Mudzingwa said the country should have seen greater progress in some areas in the provision of services to the people.

He mentioned health, roads, education and housing, and said even the Minimum Wage Act had had a negative side, with people being discarded by their employers and finding no help from the Government.

Backbenchers, said Mr Mudzingwa, were "the messengers of the people", but many of them found it impossible to contact Ministers on constituency matters.

"This kind of situation produces Members of Parliament who go about lying, because they have nothing to tell their people," he said.

He told the House that Africans in some constituencies had never seen an MP or a Minister, and that many Ministers restricted their rally presences to their own constituencies.

Welcoming the establishment of the Delimitation Commission, Mr Mudzingwa who moved the motion on the President's address, said: "This will probably make some of us here work. We should swim with the people."

The Ministry of Works and the Ministry of Posts and Telecommunications were singled out for attack for not acting quickly on projects and for the poor telephone system in some parts of the country.

In seconding the motion on the President's speech, Miss Jane Ngwenya, (PF, Matabeleland North) expressed concern about the security situation and urged the Prime Minister, Mr Mugabe, and the Minister without Portfolio, Dr Joshua Nkomo, to address meetings of former guerillas jointly.

She also complained about the size of the Prime Minister's delegations abroad, saying they could discourage donors from giving assistance to Zimbabwe.

But, she said, she agreed with almost everything said by the President in his speech and congratulated him for his comments on women and the intention to improve their legal status.

Mis Ngwenya praised the Ministry of Local Government and Housing, Dr Eddison Zvobgo, for taking action against shebeens.

Banning shebeens, however, had left some people who had earned a living through them "stranded", she said, and suggested that the Ministry of Labour and Social Services should investigate and possibly help such people.

Mr Paddy Shields (RF, Bulawayo Central) commended the atmosphere in the House of Assembly where, he said, relations between Members had improved and tensions eased.

CSN: 4700/106

GOVERNMENT INVOLVEMENT AIDS ECONOMIC GROWTH

Salisbury BUSINESS HERALD in English 25 Jun 81 p 2

[Text] FOUR distinct phases of economic change permitted gross national income to rise on a per capita basis from \$158 in 1965 to a high of \$209 in 1975 before falling back to \$164 over the subsequent period to 1979, reports the Commission.

The fluctuations were due in part to an initial contraction of the economy after sanctions were imposed in 1965 and a recovery in 1967.

The following year national income was almost static so that real per capita income fell slightly.

Output grew substantially in the period 1969-1974 when national income grew faster than the population. The result was that real income per capita grew 34 percent in the six years.

Finally, real income declined steadily between 1974-1978. Population growth meant that by the end of 1979 the 34 percent growth had been offset by a 25 percent decline.

Turning to terms of trade the commission suggests that this remained around a fairly stable level between 1969 and 1974 before a sustained and substantial deterioration to 1979 accompanied

by the decline in national and per capita income.

Throughout most of the period referred to, erratic movements in the level of capital formation were experienced, while up to 1975 the public sector investment programme played a major role, running ahead of the private sector in every year but 1973.

On this point the commission, in assessing the implications, suggests that a positive public sector involvement in investment decision making appears compatible with income and employment growth.

Improvement in and equalization of employment opportunities cannot occur says Riddell, when investment flows are volatile and unpredictable therefore a greater degree of public sector initiative is required.

Furthermore, any policy designed to promote living standards will have to incorporate public sector investment to achieve planned growth in output and employment levels and simultaneously reduce fluctuations and instability.

Previous governments are criticised for failing to use expenditure as a means to stabilise income growth. Instead fiscal policies have been devoted to supplying benefits to tax paying groups rather than redistribution of income.

Personal spending, on the other hand, has fallen steadily since 1974 although as a percentage

of gross national product which has fallen at a slower rate, this has risen by an average of 1.5 percent a year.

The relative income shares going to profits and wages move cyclically, the wages share fluctuating between 50 to 60 percent. However, the commission felt that at present, the system appears to produce sluggish wage growth alongside a growing level of output, which is not consonant with a move towards greater equity.

It is proposed that the tax system could operate to drain boom years' surpluses to shore up profit rates during recessions.

BILLS TO SEEK WIDER CONTROL OVER ECONOMY

Salisbury THE HERALD in English 24 Jun 81 p 1

[Text] Legislation establishing a system of control over foreign investment in Zimbabwe is to be introduced in Parliament this session, President Banda said yesterday.

There would also be a Bill to set up a Zimbabwe Development Bank, he said in an outline of some of the measures planned by the Ministry of Finance.

It was also intended to establish a Commission of Inquiry into taxation and the financial and monetary system and, "in line with my Government's policy of State participation in important economic sectors, the State will acquire further holdings in major enterprises".

The President said the Government last year faced a difficult task of reviving the economy which had been declining at "an alarming rate". The Government's efforts in reversing this trend were proved by an economic growth rate of 10 percent last year and an expected 8 percent this year, he said.

Priority

The Government's economic policy, based on socialist egalitarianism, had been clearly and definitively spelt out in the White Paper, Growth with Equity.

It was the Government's intention to follow to the letter the policies laid down "as they represent the only hope for the aspirations of the majority of our people".

He said very high priority was placed on the implementation of a dynamic rural development programme. It was therefore proposed to establish a new rural development branch within the Ministry of Lands, Resettlement and Rural Development.

The branch would be responsible for all rural development planning. A Bill would be introduced for the acquisition of vacant and under-utilised land and the land redistribution programme would continue and more intensive resettlement areas would be set up.

The Government would take measures to improve productivity in the less-developed peasant sector. The present separate extension services for commercial and peasant sectors would be integrated to provide a uniform service to all farmers.

In education, a law would be introduced making it compulsory for schools to be established for every given number of houses in existing and future housing estates.

A White Paper explaining fully the Government's health policy would be published and a National Health Service Bill introduced to provide the legal framework for the provision of health-promoting services on the basis of need.

To prevent racial discrimination in the sale and letting of houses, Bills to amend the Urban Councils Act, the Rural Councils Act, the Housing and Building Act, the Regional, Town and Country Planning Act, the Shop Licences Act and the African Beer Act would come before Parliament.

The President also mentioned plans to create a Youth Council and a Sports and Recreation Council.

There were also plans to site prisons in rural farming areas to facilitate prison reform, rehabilitation of prisoners and to increase prison production.

CSO: 4700/106

KANGAI ACCUSES U.S. OF BACKING SOUTH AFRICA

Salisbury THE HERALD in English 23 Jun 81 p 3

[Text] **THE Minister of Labour and Social Services, Mr Kumbirai Kangai, yesterday condemned the United States for supporting South Africa which,**

he said, is "a threat to international peace and security".

He told a news conference in Salisbury that U.S. support for South Africa was intended to protect its own interests in that country.

"We feel that America has interests in South Africa which it wants to protect. But its interests will be better protected if it supports the liberation movements in South Africa and Namibia," he said.

He warned that if America continued to support apartheid South Africa, its interests would not be protected in future when that country was liberated.

Mr Kangai, who returned on Friday from Geneva where he attended a conference of the International Labour Organisation, said it was time America changed its attitude.

The Prime Minister Mr Mugabe, had repeatedly called on the U.S. Government to take a positive direction on the question of Namibia with the aim of ending apartheid in South Africa.

"But the position taken by the United States on this issue has not been satisfactory to us," he declared.

During the ILO Conference America refused to support up-dating the 1964 Philadelphia Declaration on the policy of apartheid in South Africa. A declaration which was "backed by 88 delegates at the conference".

He said a permanent committee on apartheid in the ILO had been set up and countries opposed to South Africa would give reports on what they were doing against apartheid.

RIDDELL REPORT URGES WIDE REFORMS

Salisbury THE HERALD in English 25 Jun 81 pp 1, 2, 10, 12, 13

[Article by Gareth Willard and Mike Overmeyer]

[Text] 'Poor People's Charter' Proposed

SWEEPING changes designed to provide a minimum salary close to the poverty datum line and pensions, social security and housing for all have been outlined in the Riddell Commission report tabled in the House of Assembly yesterday.

The 350-page report is a unique blueprint for what could become a "poor people's charter" and is likely to be regarded as one of the most far-reaching social and economic documents in the country's history.

It holds a promise of better living and working conditions for the country's lower-paid workforce and for this to happen demands sacrifices of those with better incomes.

Minimum wages should come close to matching the poverty datum line for a family of six within the next 2½ years, the commission recommends. At today's prices, this means the target minimum would be \$118 a month for commercial and industrial workers and \$89 a month for those in agriculture.

Salaries above \$30 000 a year should be frozen during the 2½ years except for adjustments for inflation. Besides pushing up the lowest wage and keeping top incomes steady the commission recommends something out of

steps through unified grading of jobs.

Taxpayers in the \$13 000 to \$40 000 a year bracket could be hard hit to put them in line with world trends if the report's suggestions are accepted.

Commissioners also advocate phasing out food subsidies, which could cost \$100 million this year, in the wake of higher pay scales.

A new deal on housing has been proposed to clear the backlog in urban areas and give decent homes to rural people.

On what the commission itself describes as a "highly contentious" issue it recommends a complete split between the urban and rural sectors. Families must be united and live near the wage-earner's workplace.

Far more land than so far planned should be

allocated for resettlement and peasant agriculture should be structured and more services provided in rural areas.

The elderly, unemployed and disabled should be

covered by a countrywide social security scheme linked to a public works programme. The non-orientated scheme would also cover the peasant in the peasant and informal sectors although active development would reduce needs in these areas.

Pensions should be paid to all old people in need, with rural communities looking after their own needy. State schemes would operate alongside private plans and could be funded through a payroll tax.

Widespread changes in transport are recommended with a flat rate for compulsory travelling to work and back and a higher rate for people travelling for pleasure.

Recommendations in the Riddell report are based on a national strategy which it suggests should be implemented urgently.

Leaders in industry, commerce and the trade union movement were yesterday studying the report.

Report Is Questioned by Kangai

[by Elton Mutasa]

THE Minister of Labour and Social Services, Mr Kumbirai Kangai, yesterday welcomed the Riddell Commission's report, but questioned certain recommendations in it.

In an interview yesterday, the Minister said the report clearly reaffirmed the attitude the Government had taken in regard to the workers and the "broad masses" of Zimbabwe.

But he objected to the commission's suggestions of establishing autonomous agencies such as a wages commission and the poverty datum line research unit which were not responsible to the Ministry.

"This proposal is quite out of keeping with our form of Government. What would be the political or administrative basis of the proposed wages commission's report in Parliament? What are the grounds for the proposed PDL research unit's floating independence?" he asked.

"Experience has already shown that it is hard to control the current parastatals without unnecessarily creating more uncontrollable bureaucracies."

He said the commission not only put too much emphasis on setting up independent agencies as an integral aspect of the ends that had to be attained, but also went so far as to base its recommendations on the wages commission, PDL and the tax commission.

The Government view was that such institutions would not achieve the intended goals.

"If such institutions are to achieve something, they must have political direction. They cannot possibly do anything in isolation."

He disagreed with the commission's recommendation that the Government should subsidise workers' wages to reach the poverty datum line.

"I must make it very clear that if we do so we will not be subsidising the workers but the companies. It is as simple as all that and we do not want to do this."

Instead, the Government would rather subsidise unemployed people throughout the country, including those in rural areas. "This would be logical."

Although he supported the commission's recommendations on pensions and benefits, Mr Kangai said the machinery should not be left wholly under the custody of employers.

The company might fold or the employer "fritter away the hard-earned retirement benefits of our working people".

Mr Kangai strongly disagreed with the proposal by the commission that the Ministry of Labour and Social Services should be separated.

"To separate the Ministry of Labour and Social Services is premature and unacceptable to Zimbabwe. In the most developing countries labour and social services are treated as one. You cannot separate them."

Call to Ban Private Income for Leaders

THE Government should seriously consider drawing up a Zimbabwean version of Tanzania's Arusha Declaration, forbidding party and Government leaders from holding company shares or directorships, receiving more than one salary, or owning houses for rent to others, the Riddell Commission recommends.

In many independent countries, says the report, a great many officers in government and parastatal bodies and senior civil servants used their positions to feather their own nests, resulting in a loss of legitimacy in the eyes of the masses and a waning of the initial zeal for institutional reform.

Ghana, Tanzania and Zambia introduced leadership codes to tackle these problems.

The commissioners strongly recommend the continued independence of the Public Services Commission over appointments with any hint of irregularity thoroughly investigated.

The Commission of Inquiry into Incomes, Prices and Conditions of Service under the chairmanship of Mr Roger Riddell saw its basic task as examining various social and economic issues in the context of change and paying particular attention to the poorest although ensuring all workers were covered by the report.

In the preamble to its terms of reference, the commission, which was sworn in on September 10 last year, was asked to look into and make recommendations on the conditions of service, pay and other benefits of all categories of workers in Zimbabwe.

The commission had to pay attention to the need for an equitable system of employment "consistent with a free egalitarian society".

There were eight specific terms of reference:

- The pay, working and living conditions of the country's workers, especially the lowest paid and the introduction of systems of reward for productivity, skills and continuity of service.
- The wide gaps in incomes and wealth and the ways these could be narrowed.
- The economic, social and legal implications of increasing worker participation in the economy.
- The suitability of present industrial conciliation machinery set up under the Industrial Conciliation Act.
- The role of trade unions in collective bargaining and industrial conciliation.
- The price structure of basic foods, rents and public transport and the ways the poor in particular could be protected from changes in these prices.
- On what could claims for adjustments be assessed to maintain real incomes.
- The possibility of introducing national pension and social security schemes taking into account the Government's plans for expanding social services.

The commissioners decided not to venture into abstract debate on complex issues but instead to propose policies which would alleviate obvious poverty and narrow social gaps.

At the same time the proposals would recognise that certain differentials needed to be maintained.

"Within the constraints of both time and a certain lack of data the present report constitutes the considered views and recommendations of the commission in relation to the task entrusted to it," the commissioners said in their introduction to the report.

Strategy for Distribution of Wealth

THE RIDDELL Commission has outlined a national strategy for the redistribution of wealth in Zimbabwe.

The commission calls its policy recommendations Growth with Equity through Planned Change. The commission says the present trend is "growth with widening inequalities".

Although a national programme of economic change biased towards the poor cannot take place

overnight or be achieved in two or three years, it is a vital economic ingredient to the policy of reconciliation.

But the commission believes that in time these objectives can, and indeed, must be achieved by restructuring the productive sectors to provide expanded productive employment opportunities and rising living standards.

"The commission also believes that this holistic approach provides the only sure way of addressing the inter-related problems of poverty, widening income

differentials and widespread economic insecurity that are characteristic of the economy inherited at independence," says the report.

The commissioners propose in the report that four fundamental and

inter-related policies need to be implemented together:

● Wages should be determined on the basis needs of employees and their families, including an assessment for retirement, and a just and fair income structure between all workers, from the highest to the lowest paid, as far as the economy can afford.

● Within the peasant sector policies should be aimed at substantially increasing productivity and incomes to provide for the basic needs of peasant families whose livelihood is in agricultural production.

● Migrant labour should be stopped by deliberate social and economic action. The splitting of families should be stopped and there should be no need to supplement low wages in the modern sector by the retention of land for income and security in old age.

● Social security and pension schemes need to provide for the basic needs of families of the unemployed, the elderly, the disabled and the poor outside the formal sector.

In support of its recommended policy the commission outlined 14 ways of implementation:

● Wages should be determined through a system of free collective bargaining at the industrial council level.

● That a Wage Commission be established as a permanent review body

to examine agreements, enactments of minimum wage stipulations and detect wage gaps and whether they satisfy Government guidelines.

● Minimum wages should in a period of three-and-a-half years be targeted to reach at least 90 percent of the average Poverty Datum Line income levels for a family of six people, including training reforms, rewards for skills and compensation for length of service.

● That a PDL monitoring unit be established to periodically update PDL figures for the country.

● That all wages, in principle, be paid in cash with agreed charges on facilities for workers, such as housing.

● Top income salaries should be frozen until the new grading structure and minimum wage targets have been reached. Any moves to increase top salaries during this period should be referred to the proposed Wage Commission.

● In industries where prices cannot be raised because products are exported and prices are determined internationally, the commission suggests that discussions should take place between worker representatives, management and Government to find ways of sharing the total wage costs so that a greater proportion of the wage bill goes to the lower paid or have a reduction in non-wage input costs.

The commission suggests that Zimbabwe takes a leading role in co-ordinating international action among producer countries to raise prices to a level that would ensure minimum wages move up to beyond subsistence levels.

● The Government

should acquire more land to stop overcrowding on peasant farms while ensuring that commercial farming land is able to continue to provide the bulk of the nation's basic food requirements, a surplus for export and provide industrial inputs. The fact that about 230 000 families are dependent on commercial agriculture for their livelihood should not be overlooked.

● In the more populated commercial farming areas consideration should be given to the creation of rural settlements with permanent family accommodation, basic health, education, recreation facilities, shops and transport.

● A separate Ministry of Social Services should be created almost immediately to cope with a costly nationwide pension and social security system.

● That the process of National Registration be completed as soon as possible, hopefully within a period of 18 months, and that the national registration of births, deaths and marriages be made compulsory.

● A State Pension scheme to be introduced as soon as possible and that the Government seeks assistance from international experts in working out the financial and administrative details of the scheme.

● That subsidies be substantially reduced to amounts that the economy can afford and more con-

sideration be given to food pricing policies that will directly benefit the poor. The commission calls for immediate action.

● Instead of emphasizing export-led growth, that the external sector be used as an engine for domestic growth aimed at meeting the needs of the country's poor.

Grade Posts for Teachers

Zimbabwe should grade teaching posts, rather than qualifications, the Professor of Education in Developing Countries at the University of London, Dr Peter Williams, suggested to the commission.

In its report the commission notes that while the rate for the job is accepted almost everywhere as a guide to fixing incomes, teachers are paid on their qualifications primarily with increments for length of service.

If all teachers were paid on the standard qualification scale the annual wage bill would rise from \$168 million to around \$300 million--35 percent of the estimated national revenue for 1980-81.

Professor Williams said that as the teaching profession grew and as more teachers became standard qualified the wage bill would rocket.

While grading posts would help cut future costs the better qualified teacher would still have a better chance for promotion posts.

Such a grading would also help encourage teachers looking for promotion to move into the rural areas where senior posts could be more easily found.

The commission found teachers' salaries were complained of as being too high by civil servants who underwent training programmes, such as agricultural and medical staff.

Search for an Equitable Society

MINIMUM wages based on the poverty datum line, a freeze on incomes above \$20 000 a year and a uniform grading structure for all occupations have been recommended by the commission to narrow the wage gap and produce a more equitable society.

Incomes of more than \$20 000 a year would be adjusted for inflation as would the suggested minimum wages if the recommendation was adopted. Higher taxes for

people earning \$20 000 would help narrow the gap.

The commission also recommends that higher salaries than those permitted under the grading scheme could be paid where necessary for the maintenance or expansion of production. But the extra money would be a contingency payment and should be reviewed every six months and abolished when skills shortages were overcome.

Job evaluation, if carried out correctly, could help remove anomalies in grading and income differentials and also make a significant contribution to solving the problems of racial discrimination.

The commission recommends that the Government, in consultation with employee and employer representatives, initiate a full study of job evaluation to find one or more that could be used in Zimbabwe and strictly adhered to.

Several essential criteria are listed by the commission for such an evaluation: all jobs, whether blue-collar, white-collar or management should be treated equally and analysed, graded and assessed in the same way.

Pay and grades should provide for length of service and there would be no problems if the top notch of one grade overlapped the lower level of a higher grade. Pay scales should

follow a smooth curve without steps.

The commission accepted the broad principle that following a job evaluation exercise no pay should be cut but it recommends that anyone paid above the curve should have their pay frozen until the curve met it, or the job should be restructured to justify the

pay or the person should be moved.

Workers had to be told of anomalies and consideration should be given to phasing out pay differentials between different undertakings.

Evaluation not only helped workers understand pay and grading compared to other workers but also helped remove long-held and often false opinions of the value of management

posts in relation to other jobs.

The combination of holding top salaries steady, increasing the lowest incomes and having a steady progression in wages would narrow the wage gap which, at present, ranges from the average of \$220 a year for peasant farmers to more than \$38 000 a year for top managers in the private sector.

Minimum Wage...Target Set on Basic Needs

A minimum wage based on 90 percent of the Poverty Datum Line to be reached by mid-1984 has been set up by the Riddell Commission in its recommendations on wages.

The commission says in its report that in the next three-and-a-half years, minimum wages should be targeted to match the average PDL income level of a family of six people. This figure is based on today's PDL of \$128 a month.

During this target period all salaries in the higher income bracket should be frozen.

In an example it describes as one of the best, the commission suggests that the present minimum wage of \$85 a month should be increased every six months at the rate of \$3 a month and from July 1983 by \$6. The commission recommends that increases are planned and not enforced without warning.

This would mean a minimum wage for all workers in industry and commerce at the beginning of their grading scales of \$115 a month by July 1984.

The commission cautions strongly against the introduction of minimum incomes in a situation of general economic decline. If, after three-and-a-half years national priorities determine that industries which cannot afford to pay minimum wages should continue operating, then the commission suggests that Government helps pay minimum wages to workers.

In a similar example covering domestic and agricultural workers the commission estimates \$69 a month would be the target income by July 1984. This figure is also based on 90 percent of the present PDL.

To achieve and maintain these targets the commission believes that three new bodies should be created.

--A PDL unit to set minimum income levels throughout the country and publish statistics half-yearly or quarterly.

--A permanent Wages Commission to detect the movement towards target minimum wages and to review and monitor the extent to which agreements, minimum wages and income differentials are satisfying the Government's guidelines.

--A Wages Review Tribunal to sit regularly to hear cases for general adjustment to pay rates against defined criteria.

The Wages Commission would submit an annual report to Parliament indicating the degree to which policy targets are being achieved and identify sectors and industries where targets are not being met.

Underpaid

The commission also recommends that the Wages Commission be an independent body answerable to the Prime Minister or the Minister of Economic Planning and Development.

The commission warned that underpaid workers would seek to supplement their income through devious means if criteria laid down in the report were not met soon.

By underpaying workers the pattern of industrial life could spill over into areas where people would be undernourished, poorly clothed and housed, disgruntled, lethargic and disease and accident prone.

The commission believes that this could be alleviated if employers are prepared to be more overtly sensitive to worker needs.

The report said the removal of conflict with the employee was in employers' own interest through increased productivity, reduced absenteeism, lower accident rates, fewer stock losses and reduced expenditure on stock control.

Overall the commission recommends that the basis for determining minimum wages should be the needs of the employees and their families instead of the place or type of work performed.

Other recommendations on pay include:

--A national minimum to be calculated for contract work and to be published each season for appropriate tasks.

--That far more information be provided to the workforce on legislation affecting them and channels open to them to present their grievances. Also that legal action be taken against employers who ignore legislation.

--That regardless of some negative effects on increasing minimum wage rates, that they need to be implemented within its broader framework outlined by the commission.

Workers Hit at Employers

Low pay, long working hours, racial discrimination and wages below the legal minimum were the four major grievances among more than 1 600 workers who had written to the Riddell Commission by the end of January.

Other complaints covered bonuses, increments, overtime payments, days off, holidays, promotion for long service, pensions, sick pay, resignation benefits and lunch or tea breaks.

Workers claimed they were badly treated, abused or beaten, they were wrongly or inadequately graded, workers' committees were ignored or interfered with by management, staff were unjustly dismissed and living and working conditions were poor.

There were complaints of sex-discrimination, oppressive black supervisors, dismissals over the minimum wage, profits being absorbed by management, separate facilities for black workers and employees being made to pay for vehicle and tool repairs.

Other letters alleged that jobs were insecure, spouses were forbidden to visit, pension contributions were withheld and there was ignorance of pension schemes, rations were non-existent or inadequate and there were complications over national industrial councils.

Besides the letters from individual workers, the commission also had written submissions from more than 100 worker groups, mostly workers' committees and trade unions, and interviewed more than 250 groups of worker representatives in all sectors of the economy.

The commission was seen from the start as a channel--sometimes the only channel--for grievances that had been bottled up for decades.

Tackling the question of verification of grievances, the report said complaints could be divided into categories, each needed a different method of checking.

Complaints over minimum wages and lack of pension schemes, bonuses, tea and lunch breaks could be quickly checked with employers and many were found to be supported. But it was impossible for the commission to verify every complaint. Claims about long working hours, insufficient leave pay, inadequate living conditions and hazardous working conditions had elements that could be checked plus an element of personal opinion.

Most conflict was generated by the hard to check complaints of racial discrimination, abuse, inadequate grading and interference in workers' committees.

Employers rarely agreed with workers on racial discrimination, seeing the problem more as one of grading, rewards for different abilities or a misunderstanding of regulations. But the fact that most employees believed there was racial discrimination was a real problem.

Several examples of regrading were seen as racial and were brought to the attention of the commission. Firms introduced new grades around the levels blacks were being promoted into, and while managements agreed the moves could be seen as discriminatory, that was not the intention.

Many accusations of racial discrimination were found by the commission not to be racial problems. Most blanket allegations could not be substantiated at all. Usual divisions of race were divisions of grade and the fact that lower grades were often exclusively black did not necessarily indicate racial discrimination.

"Rather it is the consequence of past policies of schooling, education and employment selection."

The commission called for a revolution in attitudes from both employees and employers. They had to recognise the problems did exist and could not be ignored and then had to work to find a common ground for their solution.

Black employees in small undertakings came in for heavy criticism.

"Indeed the ignoring of minimum wages by black employers appears to be more the rule than the exception and this is often accompanied by long working hours," the commission found.

The worst example of low pay found by the commission was in the high density suburb of Chiredzi where wages as low as \$5 a month were recorded, and admitted by employers. Most of the workers were young women from Mozambique.

Benefits were another major area of complaint especially as minimum wages for domestic, farm and mining workers were less than for commerce and industry. The workers said the supposed benefits of housing and food were non-existent or worth far less than the difference in minimums.

And the Management Had Its Say on Problems

EMPLOYERS tended to concentrate on pay, wage gaps and pricing when giving evidence to the Riddell Commission. Skill shortages, inflation and unemployment were also discussed, as were worker participation, industrial legislation and collective bargaining.

Housing was discussed by local authorities and by the farming and mining communities while black employers almost universally failed to provide evidence although, said the report, the response of small business in general was also limited.

Most employers recorded the pay and grading structure of their lower grade workers only, as if the skilled and managerial staff were not the concern of the commission. This made it impossible to analyse the wage gap.

The commission found that both before and after the introduction of minimum wages there was no uniform pattern of pay for lower grade workers either between industries or even in industries.

There were also no agreed criteria for judging what the minimum should be, although firms paying more generally took social criteria into account.

Supply and demand was given as the main reason for pay levels but the commissioners, while agreeing it was a factor, pointed out that there was no uniformity in pay even among the relatively mobile skilled workforce. Also firms in competition paid different minimum wages.

Some companies said they assessed the minimum on the needs of an employee rather than on ability to pay and in fact boosted minimum wages even when making a loss.

The commission agreed that ability to pay was in the long run essential.

Employers were asked their reaction to using the Poverty Datum Line, the income required to satisfy minimum needs of a family of a given size and composition, and a number argued that the PDL should not be used when determining wages for the lowest paid.

The inability to pay was the argument often used by this group and the commission said it had some basis for primary producers but even so it was usually accepted that social criteria should be used.

"The possibility of flattening the wage curve and compensating for increasing wage levels at lower levels by decreasing their wage costs was not mentioned," the commissioners wrote about the comment of a mining company who said low wages made their product competitive.

The overwhelming majority of employers talked of the shortage of skills, not a new phenomenon in Zimbabwe. The shortage was being overcome in some industries by modular training and the upgrading of semi-skilled workers which also rationalised the inefficient and racial systems of the past.

The public service and parastatal bodies spoke of the movement of skilled people into the private sector where they were paid more. Even the Zimbabwe Tourist Board complained. The high private sector wages widened the wage gap.

Many employers recognised the need to narrow wage gaps but few could

help the commission in proposing detailed plans to do so. Many totally rejected the idea of a maximum salary, usually citing the possibility of loss of skills.

The need for price controls to protect the poor was supported by most employers who gave evidence on the prices of basic needs.

The Association of Chambers of Commerce of Zimbabwe submitted that price controls in general should be relaxed, preferably over a period of time, although basic needs should be controlled.

Commercial farmers and the Commercial Farmers Union launched the strongest attack on the present pricing structure and, indeed, on the whole area of food subsidies as they existed at present in Zimbabwe.

The subsidies, said the farmers, were expensive and benefited the urban communities rather than the poorest Zimbabweans who live in the rural areas.

[Editorial]

Trail Blazers

The Kiddle report on incomes, prices and conditions of service is an impressive and comprehensive piece of work.

It contains a mass of vital information and its suggestions and recommendations, if accepted by the Government, will have a profound effect on the lives of all Zimbabweans.

That the report will not please everyone there is no doubt. For some it will have gone too far, for others it will not have gone far enough. But what has emerged must surely provide the basis for a poor people's charter, and that, of course, was what the commission was all about.

One of the most impressive things about the report is its realistic and restrained attitudes.

There are no dogmatic assertions, no emotional phrases. Some of its proposals may prove to be impracticable at this stage. But those who read it, both inside and outside Zimbabwe, will surely be impressed by its sincere, constructive and compassionate approach to our enormous human problems.

The plight of the poor obviously could not be looked at in isolation, and the commission has recognised that without proper growth there can be no lasting change for the better.

On the minimum wage, for instance, it has been both flexible and realistic.

For commerce and industry, base target figures of either \$115 or \$128 to be reached over three or four years have been offered as guidelines.

On the Same Wavelength

The commission has also come out in favour of the progressive abolition of food subsidies. And here there appears to be some interlocking with Government thinking.

The Minister of Finance has hinted pretty heavily that some of these subsidies will have to go. It may be that the Government is already thinking in terms of removing them in step with increases in the minimum wage.

Taxation is another area in which the Government and the commission appear to be thinking along similar lines.

The report welcomes the Government's intention to set up a commission to examine our taxation system and has put forward a number of ideas that the commission might well consider.

On the question of individual taxation, the commission's thoughts are unlikely to please people in what is described as the middle to high income group (\$12 000 to \$45 000 a year). It suggests that those in this salary band are taxed lightly on a comparative international basis.

It could be on dangerous ground here. Increased taxation, plus a modified salary freeze for those earning more than \$20 000 a year might be necessary to narrow wage differentials.

But would such measures help to keep and attract the skilled people we need for rapid development?

The Government, through the Minister of Labour and Social Service, Mr Kangai, has already voiced some sharp misgivings about the report. This was inevitable; let's hope a compromise of sorts will emerge.

'HERALD' Insight Into the Riddell Commission

[Reports compiled by Gareth Willard and Mike Overmeyer]

'Flexitime' May Solve Shortage of Buses

Staggered working hours could provide the answer to the bus shortage in Zimbabwe, which is likely to be aggravated by the planned expansion of urban housing, the report says.

The Salisbury United Bus Company told the commissioners they had placed orders annually for 80 buses over the past two years and had taken delivery of only 55.

The company carries 122 000 passengers a day in Salisbury, but with the city council planning for at least 77 000 new houses it is estimated that the fleet would have to be doubled.

Suggesting staggered working hours as a solution, the report says the city council is already studying such a proposal from SUOC. Consultation would have to take place with commerce, industry, Government and local authorities to work out the practicalities of instituting such a scheme.

In the belief that it was unfair for low-income commuters to pay more for travel because they lived farther away from their work, the commission has recommended a two-tier fares system.

Hotels Wage Policy

Meikles and Zimbabwe Sun Hotels told the Commission that despite heavy losses of \$7.1 million between 1976 and last year the group adopted positive policies to raise wages as rapidly as possible towards a level which would give the lowest paid the means of achieving a minimum standard of living.

The group also gave preference to blacks for appointment to certain posts in order to attract better educated people into the organisation.

This would involve one fare for any distance during commuter-related hours and a higher fare based on distance outside commuter hours.

Another recommendation is that the elderly and disabled should have subsidised fares outside commuter hours on production of social security cards, the small cost being absorbed in the new fare structure.

To reduce the foreign currency bill for fuel the commission recommends a two-tier fuel-pricing system, a higher price for private cars and a lower price for public transport vehicles.

The use of public transport could further be encouraged by reducing the number of free parking spaces and increasing the charges for parking lots.

On the basis that pirate taxis serve a useful purpose, it is recommended that operators be given subsidised fuel coupons as an incentive to register and maintain their vehicles.

Restricting their operations to certain areas to protect bus companies is also suggested.

On railway travel the commission suggests that the four classes be consolidated into a first and second class.

The report says the commission did not have time to examine the cost alternatives, but wished to draw attention to the inappropriateness in the new Zimbabwe of perpetuating the extremes of class differentiation presently existing in the National Railways of Zimbabwe.

Zimbabwe Women Facing Sex Discrimination Battle

THE Riddell Commission has found that women in Zimbabwe are still primarily seen as child-bearers and victims of social and economic sexual discrimination.

The numerous examples of sexual discrimination received by the commission had a direct bearing on the incomes, living and working conditions of hundreds of thousands of people in Zimbabwe.

The commission noted that while women in the rural areas voiced their grievances, the majority of those in the urban areas appeared to be unaware of many of the issues raised.

Ingrained and socially conditioned attitudes of sex-roles in both traditional and modern society, were held responsible for this anomaly.

Since under customary law, when a woman marries she remains a minor and responsibility for her passes from her father to her husband, she never attains

the status of an adult in her own right.

This and other customs gave rise to legal instances of sexual discrimination, often directly affecting the payment of pensions to widows.

Instead of establishing a link between two families, lobola had been commercialised to the degree that its size was determined by the earning capacity of the woman and her educational qualifications.

Ten women wrote to the commission saying that in spite of

having had the same experience they were still paid less than male colleagues doing the same job.

Women in other industries had the same complaint, while many jobs for which no particular sexual attribute was necessary were advertised for people of one specific sex or another.

Women, too, were very under-represented in workers' organisations.

The commission says there is widespread discrimination against working women having children.

Because many hotels ban mothers with babies on their backs or in prams from entering their premises and stores and shops did not allow them to feed their children in public, the report advocates the provision of facilities for nursing mothers.

There was also pronounced discrimination between the sexes when it came to property with women very often finding it impossible to find accommodation unless they were married.

Unmarried mothers often found it difficult to get land to help support their children in the rural areas.

To address the often deeply ingrained attitudes which provide the framework in society for sexual discrimination against women, it is not sufficient to change the law, the report says.

Urgent Need for Social Security

THE Riddell Commission has proposed a need-orientated social security system that would maintain the incomes of the elderly, the unemployed, the permanently disabled and the poor in the peasant and informal sectors.

Labelling its suggestions as tentative conclusions rather than recommendations, because of the lack of data, the commission suggests that such a scheme be introduced as soon as possible with planning starting immediately.

Development schemes should be pursued in the peasant and informal sectors to reduce the need of these people for social security.

Conditions would be set before payments were

made to the disabled, the unemployed and those in the peasant and informal sectors whose incomes were below the minimum.

Policies to bring the disabled into employment would have to have failed. The unemployed would have to take part in a public works programme while those in the informal sector should only be paid through registered co-operatives. Those in the peasant sector would be paid through proposed village committees and only when their crop and livestock production fell below certain levels.

National registration

had to be completed before such a scheme could operate; institutions, especially in the informal and peasant sectors, would have to be restructured and a network of offices set up countrywide.

A comprehensive analysis would be needed of the costs and practical details and a separate Ministry of Social Services established.

A national pension scheme should be introduced as soon as possible, the commissioners also recommended.

They noted that past governments had shied away from promoting a national social security

scheme because of an incorrect assumption that traditional methods of providing social security satisfied the needs of the poor.

The Government, aware of the needs, would have to weigh carefully the goals of relieving poverty in the short term and addressing the circumstances that created the same poverty.

In another section of the report the commission recommended that unemployment benefits should be linked to some sort of public works programmes so if Government funds were used they would benefit the community.

State Pension Plan Outlined

A NATIONAL State pension scheme should be set up with village committees in the peasant areas provided for rural elderly and other pensioners being paid according to need and the ability of the country to pay, the Riddell Commission suggests.

The commissioners ruled out the possibility of a State scheme operating to the exclusion of private schemes and said the only practical and cost effective way of introducing a State scheme was in parallel with private plans.

Provision should be made for a points system of contributions with everyone not covered by a private scheme paying on a sliding scale with a minimum. Self-employed people could also join. Villages and informal sector co-operatives would contribute in proportion to the value of their sales.

A distinction had to be made between a national scheme, which would build up funds for contributors, and a universal

scheme, which would immediately provide pensions for those over 65.

Actuaries consulted by the commission recommended a pay-roll tax of 5 percent, minus 3 percent of pensionable salaries of those belonging to private funds should be raised to provide for a pay-as-you-go universal scheme and build up funds for a national pension scheme.

The commission suggests that one possible way of swelling the fund would be to absorb the gratuity payments earmarked under about 140 industrial agreements. With a pension scheme then would be necessary.

Methods of transferring pensions would have to be worked out and the commission recommended that if a person became unemployed their contributions would cease but what they had paid in would remain.

With a '1 social system a g levy would have to be added to the payroll tax needed for the pension scheme, the commissioners said.

Blueprint for Massive Social Change

THE Riddell Commission report is likely to be regarded as the most comprehensive studies yet written on the social and economic scene in this country.

The report is likely to be used extensively by the Government and the private sector in their respective efforts to come to grips with Zimbabwe's major social and economic problems.

The 350-page report contains a vast amount of background information for each of the areas of study undertaken by the commission. Before making their recommendations, the commissioners gathered evidence from nearly 3700 employees and more than 400 representatives of employers. In addition, 2450 representatives from rural areas and villages gave oral evidence to the commission.

Oral evidence, mostly in support of written evidence, was also provided

by major employer organizations, including the Associated Chambers of Commerce of Zimbabwe, the Confederation of Zimbabwe Industries, the Commercial Farmers' Union and the Chamber of Mines. A large number of public sector organizations also gave oral evidence, and 313 organizations responded to questionnaires circulated to a wide range of interest groups.

An overall impression of the conditions of service and incomes of industrial workers, the views of employers and employer organizations and of the conditions experienced in the rural areas are carried in Chapter 3 of the report. 22 pages of wide-ranging and often disturbing comment on the state of our society.

The commissioners say that the degree of dissatisfaction, the depth of bitterness, bitterness, bitterness and frustration expressed by the workforce in Zimbabwe made the deepest and most lasting impression on them. However, they report that they were also exposed to situations where great advances had been made, and they found an awareness in management that deep-seated problems did exist and that they needed to be remedied quickly.

A point highlighted in the chapter is what the commissioners described as a striking lack of communication between different groups. This lack was evident between different groups of workers, between workers and management, between worker representative groups, between cultural, racial and language groups and between groups of workers and Government officials.

It is in relation to ideas on foreign debt that the commission has made some of its most worrying observations. In a note at the end of Chapter 6, the report points out that dependence on export markets and world prices limits the country's ability to regulate prices to suit its own requirements. As low foreign incomes for commodities are often the ex-

cess used for low wages, the suggestion is made that a shift in emphasis might usefully be made away from an external price focus, and in strategic terms, away from balanced trade.

The shift away from a reliance on exports would mean tolerating a rising trade deficit, which would be the cost of achieving a better paid society. The main source of the increased deficit would be a diversion of production away from the existing "reliance on vulnerable and deteriorating markets".

The commission believes that Zimbabwe is at present in a most favourable position to use external deficit financing as a temporary policy option. One reason is that Zimbabwe has been substantially under-borrowed for many years and another reason is that, with the end of sanctions Zimbabwe has experienced a once-only, but substantial improvement in its terms of trade.

The commission accepts that there are limits to the extent to which any country can run a deficit, as deficits must be financed by borrowing and borrowings involve the payment of interest.

"In the limit case, when the interest bill equals total earnings from exports, the capacity to run further deficits is exhausted," says the report, and it accepts that the balance of payments constraint cannot be ignored.

"It does mean, however, that external debts, are not in themselves, either good or bad. It all depends on the use to which they are put. Tolerating a rising deficit as a means of stabilising living standards, coupled with structural moves to make the country less dependent on international price fluctuations is not, in itself, anything other than sound long term planning."

Wage Target at a Glance

Outcome of Riddell Commission's phased 3 1/2-year minimum wage adjustment path of inflation increases prices by 5 percent every six months.

1 Date	2 Target at 1980 prices	3 Suggested target percentage	4 Minimum wage at 1980 prices	5 Target with 5% price rise	6 Minimum wage at 5% increase
January 1981	115	74	85	121	80
July 1981	115	76	86	127	86
January 1982	115	78	91	133	92
July 1982	115	82	94	140	98
January 1983	115	84	97	147	104
July 1983	115	88	100	154	110
January 1984	115	90	100	160	116
July 1984	115	100	115	170	126

The table above is based on a table in the Riddell Commission report, which shows the suggested progression to the target minimum income by July 1984. The suggested percentages of the target that should be achieved in each half year before that date are shown in column three, and the resulting minimum wages at 1980 prices are shown in column four. Columns five and six show how the target income will become progressively higher if consumer prices rise by 5 percent each half year, and how minimum wages will increase in relation to the target income, reaching 100 percent of the target by July 1984.

At a 5 percent rate of increase in consumer prices every six months, chosen at random to illustrate the point, the \$170 a month income shown for July 1984 would have the same buying power as \$115 had in 1980.

The arrangement shown is one of a number of suggested procedures whereby minimum wages might be increased at intervals over the next few years. However, the commission has not given any of these suggestions the status of a formal recommendation in the report.

Riddell Report Not As Drastic As Expected

[Article by David Linsell]

FEW startling recommendations or proposals affecting commerce and industry emerge from the Riddell Report published yesterday.

For as the commissioners themselves admit, because of the overall far-reaching nature of their suggestions, it represents only a starting point in a national debate although the Government may have to take a stand on some recommendations.

Of immediate interest to the business community will be the question of raising wage minima and, since they have been gearing themselves up to expect the worst, the commission's proposals should not come as too much of a shock.

Taking the December 1980 Poverty Datum Line of \$128 it is recommended that this should be a target minimum for commerce and industry to be

achieved by July 1984 by increasing wages every six months.

Cautiously, the commissioners state: "The experience of the sudden introduction of the July, 1980 minimum wage (although not unexpected) indicates that in future it would be important to link wage reform to a set and known sequence of changes so that workers, employers and the Government (as employer) can

reconcile financial and production decisions in the light of a known sequence of change."

As an alternative, but using the same basis, they suggest achieving 90 percent of FDL wage levels. This would mean for commerce and industry raising wages by 36 percent a year to 1984 assuming inflation can be pegged to 15 percent per annum.

There is, however, one section of the report

which is likely to cause alarm in both commercial and government circles, namely Riddell's ideas of reducing the "openness" of Zimbabwe's economy.

In other words regular exports, as the commission sees the current level of export orientation as a threat to the concept and practice of redistributing wealth.

The economy is said to be under-borrowed and can therefore afford a much larger debt-service ratio. But this indicates a future burden on the country's balance of payments which can only be handled by reducing vital foreign exchange from export earnings.

The report refers to the need for the public sector to ensure certain key strategic imports such as energy, education.

With this in mind the commission, so far as financial Stage 2 is concerned, mean substantial foreign borrowings. To ensure that the expansion of export capacity will be necessary.

Controlling imports is part of the goal of this recommendation, yet such strict controls could have an adverse impact on efficiency and competitiveness. Besides, imports are positively linked with growth.

Therefore any reduction or restriction beyond that received at present is

likely to hold back growth rates and employment.

Altering the export mix is seen as another means of offsetting foreign trade as a restraining factor upon redistribution. On several occasions the commission refers to deterioration in the terms of trade, the index of Zimbabwe's profitability in the international export markets, and the trend is seen as continuing.

OMISSION

While other aspects of the report affecting the business community, such as labour, corporate taxation and foreign exchange controls, have been well covered elsewhere in this week's Business Herald, it is necessary to mention one glaring omission from the Riddell Report.

The question of population growth and birth control, and their implications for the economy are mentioned but once, and then only as a footnote to a section on child allowances and income tax.

The commission comments that the present system of child allowances frustrates efforts at birth control by not discouraging a family from having a number of children.

The future size of the population will inevitably have far-reaching consequences for the economy and redistribution of

wealth. If the growth factor continues at around 3.5 percent then the implications are serious.

Alternatively, a slower rate of population growth through birth control would mean a higher rate of increase in per capita incomes and a more equitable distribution of incomes.

Profit-Sharing Schemes 'For All']

[Article by Elton Mutasa]

THE Riddell Commission promises a sound deal for workers in Zimbabwe — giving them a recourse through the law courts for any disputes concerning dismissal.

In its detailed report, the Commission recommends that there should be profit-sharing and bonus schemes in operation in all enterprises.

It suggested there should be a Joint Economic Advisory Committee that

would function as a forum for consultation between all sides of industry to meet views of workers and management on major economic policy matters.

The committee should include the trade union umbrella organisation — the Zimbabwe Congress of Trade Unions.

The report highlighted the role of the workers committees saying any undertaking with more than six employees should have such a committee.

Undertakings with more than six employees should form workers com-

mittees. And these committees should receive protection under the law and any dispute concerning the dismissal of committee members should appear before the National Labour Relations Board," the report emphasised.

It advocated that workers committees be incorporated into the industrial legislation and called for the ending of the industrial and conciliation board systems.

It urged the continuation of industrial councils in the industries that

had registered trade unions and employer organisations and called for the scrapping of all unregistered trade unions.

"Unregistered trade unions should no longer be accorded a place in

industrial legislation. They should be replaced by provisional trade unions approved by the Government, workers and the ZCTU."

For industrial councils and transitional industrial councils alike, a trade union structure should evolve based upon the democratic choice of the employees in each industry.

It made it clear that where a trade or provisional trade unions were in operation — no rival union should be recognized and permitted to collect funds from workers.

It added that where trade unions have received temporary registration to represent employees in a transitional industrial council, no other trade union should be allowed to operate in that industry.

"If, after nine months a provisional trade union convinces the Industrial Registrar that it has sufficient following to be registered, then it should be registered to represent that industry."

The report said if the union does not fulfil the requirements, it should be dismantled allowing another incipient trade union to apply for provisional status.

The Commission said, however, any provisional union had the right to appeal to the Registrar if it considered its claims for representation had been handled unfairly.

It appeared to the government in consultation with the employer and employees representatives — and perhaps with the assistance of I.L.O. — to consolidate industrial representation by incorporating all formal sector employees and their employers excluded from the Conciliation Act into the industrial legislation with

Rethinking Needed on Foreign Trade

THE significance of foreign trade to Zimbabwe's economy is considered to be a threat to the redistribution of wealth.

The degree of external orientation is reflected by the fact that in 1980 exports accounted for 30 percent of gross domestic product and imports about the same proportion of gross domestic expenditure.

The Riddell Commission is advocating a complete re-think on the balance of the economy by reducing the importance of exports in favour of catering for the growing domestic market.

Industry must be required to make sustained efforts to increase the use of locally produced or producible materials and development of the local capital goods manufacturing base must be vigorously promoted.

"In the long term, this entails a greater reorientation of investment and production structures towards catering for the domestic market, with particular emphasis on the low-income, mass market; and stricter restrictions on the allocation of scarce foreign exchange to locally substitutable consumer goods," say the commissioners.

Foreign trade is seen as a constraining factor on redistribution because as incomes rise a higher level of personal expenditure will lead to increased imports to meet consumer demand.

More consumer spending will drain exportable surpluses of various (unspecified) products as these are redirected towards satisfying domestic demand.

As a higher proportion of agricultural products will have to be sold locally to meet demand their export-earning potential will decline.

The re-equipment of industry and repayment of blocked funds are regarded by the commissioners as two areas where there will be strong pressure to postpone income reform.

They also see that if the terms of trade, the profit index for goods traded on the international markets, and commodity prices fluctuate then an extra degree of instability will be introduced into wage rates.

To reduce dependence upon export earnings the Commission urges that three changes should be made

to ensure that income reform is achieved.

- Reducing the "openness" of the economy.
- Altering the export mix.
- Curbing foreign exchange losses through under-priced exports and over-priced imports by local subsidiaries of externally-based companies.

On the first point the commissioners say that for any given level of output, the proportion allocated for export must be reduced. This could be achieved by concentrating growth on those areas of the economy which use the least amount of imports; import substitution, full use of capital and promoting maximum use of local resources.

To alter the export mix devaluation of the dollar, export incentives and wage control are put forward as possible measures for discussion.

Thirdly, to avoid what the Commission calls "leakages", it proposes that the problem can be combated by establishing a state-controlled export marketing agency with interventionist powers.

RIDDELL REPORT: BLUEPRINT TO END POVERTY

Salisbury THE HERALD in English 23 Jun 81 p 1

[Interview with Roger Riddell, commission chairman, by Mike Overmeyer, date and place not given]

[Text] **WIDE-RANGING** policy recommendations in the 350-page report of the Commission of Inquiry on Prices, Incomes and Conditions of Service will change current unemployment rates, low wages, migrant labour and divided families, says the chairman, Mr Roger Riddell.

"Our report is a fascinating document about what Zimbabweans from all walks of life think and hope for," he said in an interview with the Herald on the eve of the report's presentation to President Banda.

One third of the commission report, about 100 pages, summarises nearly 3,500 pieces of written evidence sent to the commission within three months and about 450 separate interviews held throughout the country in six weeks.

In their eight-month inquiry, the commissioners spoke and listened to employers, Government Ministers, trade unions, workers' committees, labour groups, and even an individual worker or two who demanded special attention.

Evidence before the commission ranged from the petty racial discrimination of toilet facilities for blacks and whites to the more complex issues of income disparities and general conditions of service and living.

Question: How did it come about that you, in particular, were called upon to chair the commission?

Answer: The work I was doing prior to the commission was on a series of booklets on the economy, called From Rhodesia to Zimbabwe. The questions that we were asking in that series were basic questions about how the basic needs of the people of Zimbabwe could be met. These were very similar to the perspectives President Banda gave us with regard to the terms of reference of the commission.

The perspective of the commission was how the poor in particular can be helped in a dynamic Zimbabwe. And how change can be effected to help the poor.

Q: When were you informed about your job with the commission and what was your immediate reaction?

A: I was sitting in my home in London when the phone rang and the operator said there was a call from Salisbury. On the other end was the Prime Minister.

He said he wanted to see me in Salisbury the

following day. I arrived in Salisbury three days later and had discussions with the Prime Minister about the commission and he asked me whether I would chair the commission. He broadly outlined the terms of reference and I accepted the job.

Q: What, in your mind, were the areas needing change when you set off on the task of chairing the commission?

A: Four issues worried me and they were central to the commission's terms of reference.

These were the lack of employment opportunities for people, low wage levels, the migrant labour system and the institution of split families.

There was also the need for massive resettlement to solve the whole range of problems, because the land problem is critical. It was not only to give more land to the peasants, but at the same time solve the migratory labour system.

Q: How did these problems that needed to be solved affect the way the commission went about its work?

A: Each commissioner came with his or her own ideas of how to address the terms of reference and how the problems could be solved. Yet I think it is true that by the end of the eight months we worked as a team we had all learnt an enormous amount and changed a lot

of our preconceptions about how the problems would be solved.

We decided from the outset that in independent Zimbabwe we had a responsibility to go out and

seek evidence from the group who historically have never given evidence to any commissions of inquiry—the peasants, the unskilled and people who did not speak English and had no idea what a commission of inquiry was.

This was very successful in as much as we had nearly 600 pieces of written evidence sent to the commission within three months.

These letters had to be processed and translated from Shona and Ndebele for those commissioners who spoke only English.

In six weeks we also travelled the length and breadth of the country and ended up in Salisbury with all the evidence from major groups.

Altogether nearly 400 separate interviews were held with a whole range of people, from employers to Government Ministers, trade unions, workers' committees, informal workers' groups and even an individual worker or two who demanded to see the commission.

PERSPECTIVE

We had not been asked to comment in general on issues like wages, housing, transport and prices, but to make particular policies in a way that would materially assist the poor in Zimbabwe.

That was the perspective we had. We had no choice, once we had accepted our commission, as to whether we wanted to help the poor or not. It is specifically what the terms of reference asked of us that is why the report is written in that framework.

Q: Within that broad framework were there any difficulties in gathering evidence?

A: When we started the commission the country was in the middle of a great deal of industrial unrest. Between March and June last year there were nearly 200 work stoppages.

In July the Minister of Labour and Social Services (Mr Mumbira Kasigai) announced his minimum wages policy. There was an atmosphere of expectation and a certain amount of mistrust between employers and employees. And, as we say quite early on in the report, one of the most startling things in the evidence throughout was the atmosphere of mistrust.

Another difficulty was that a lot of people saw us as an arbitration group. We had to tell them that the Government would decide on recommendations we made. It was a hard message to get over.

Q: As chairman, was it difficult to bring together the various commissioners with such different backgrounds in order to reach consensus?

A: Our report is a unanimous report. In the chairman's introduction I say that this is a very significant fact. We have Zimbabwe emerging from a war situation. We had people on the commission from very different backgrounds and communities.

But after the exposure of all of us to the evidence—and we worked very well together—the solutions began to emerge from the evidence and from the discussion that we had among ourselves.

Q: What were the other problems that the commission had to contend with?

A: There was not enough time. We make this point very strongly in the first chapter of the report.

Q: What did the commission have to do to overcome the problem of a lack of available data on the Zimbabwe economy?

A: That was a very real problem. Three separate paragraphs in the report make reference to the lack of data. We explicitly state that the lack

of data made it very difficult for us to address the problems that we were asked to address.

A recommendation that we make is that the Cen-

tral Statistical Office be expanded and concentrate more than in the past on getting information about the poor.

Q: Did the commission's research team help overcome the problem of a lack of data?

A: In the time available to us we were not in a position to embark on primary research. What the research team was doing was to gather a lot of information together from different sources.

These focus in the report, so I hope that as well as providing recommendations the report will also be useful as a source of data.

Q: Could you give a summarised breakdown of the essence of the report itself?

A: It is divided into 22 chapters with 10 appendices. Our fundamental chapter, Chapter 6, called The National Strategy, outlines four fundamental interrelated and broad policies, which we believe have to be implemented simultaneously to alleviate the poverty of the poorest in this country. These are:

- Wages of those in formal sector employment should be high enough to satisfy their minimum income needs;

- Incomes in the peasant sector should be high enough to meet the minimum consumption needs of peasant families. For that to occur there is need for more land resettlement, a radical change in the marketing structure, credit facilities and transport, etc.

- The third fundamental policy in the report relates to the issue of migratory labour and split families. We estimate that there are about 235 000 split families in Zimbabwe.

In Harare you have hostels which used to contain 24 000 "single" men. Sixty-seven percent of the men there were married. The whole structure in the past had been geared towards the migratory labour system.

Those in formal sector employment, whether they are in town, mines or domestic service, should be

provided family accommodation. And only those who work on the land should have the first choice of land in the peasant sector.

- There should be a social security system for those who do not have an income high enough to meet their minimum income subsistence needs.

So we are dealing with the poorest from the cradle to the grave.

Q: Can your report be seen as a blueprint for socialism advocated by the Government?

A: I think we mentioned the word socialism only once in the report. It was in a quotation from the Prime Minister. The terms of reference did not ask of us to talk about socialism and capitalism. It asked us to help the poor.

Q: What relation do you see between the Poverty Datum Line (PDL) and the minimum wage recommendations which, until now, have acted as a "stop-gap" measure pending the commission's report?

A: We considered that the criteria that should be used on minimum wages should be related to the PDL. But we say to that that the current PDL is narrowly based in three cities—Bulawayo, Salisbury and Gwelo.

For it to be used throughout the country it is necessary to have, we propose, a PDL index so that one can see precisely what the PDL is in various areas and industries.

There is no PDL for agriculture and mining. So we propose that the PDL be used as a basis for minimum wage fixing. It is not easy to say what, precisely, the minimum PDL will be in these areas.

Q: What kind of structures of worker participation and collective bargaining does the commission envisage for the future?

A: On the evidence we have received it is apparent there is consensus among employers and employees that the industrial council system is in fact the best structure for col-

lective bargaining. Unfortunately, this system applies to only 15 percent of all workers.

Therefore we recommend that the industrial council system be expanded to include all workers in the economy.

We recommend that the industrial board system be scrapped, and that a system of transitional industrial councils be formed until the unions substantively represent the workers in industries which have industrial boards.

Q: How does the commission see the alleviation of land hunger taking place with regard to current policies of land ownership?

A: Well, we were not asked to look into that.

What we do say is that the present policies of land resettlement, and the Zim-cord document estimates optimistically that another 33 000 families will be resettled in a two-year period is not sufficient. Much more land is needed for resettlement.

We make two suggestions about how that might take place.

- The use of land bonds for buying out more white farms; and

- The introduction of land utilisation parks to get land used to productive capacity.

Q: What are the problems with land resettlement and the number of people needing land now?

A: That is quite interesting actually. About 187 000 families need land now and current plans are for the resettlement of 33 000 in two years. That is the scale of the problem.

CSO: 4700/106

FINANCE MINISTER PREDICTS 'TOUGH' BUDGET

New Measures Called For

Salisbury THE HERALD in English 23 Jun 81 pp 1, 10

[Article by Mike Overmeyer]

[Excerpt] ALL Zimbabweans have to "pull up their socks" after next month's second "People's Budget", which is going to be a tough one because the Government needs money, the Minister of Finance, Senator Enos Nkala, said yesterday.

The Minister also warned that some subsidies would have to be removed, "because by paying subsidies the Government is supporting the exploitation of workers by employers".

Last year's first Budget had introduced progress, he said, through a reasonable growth rate of between 8 and 10 percent and an employment increase of about 9 percent.

Reconstruction, rehabilitation and resettlement yielded benefits for the people.

"Production of agricultural commodities, new machinery and an overall increase in the productive capacity over the first year of independence were also successes which resulted from the Government economic measures last year," Senator Nkala said.

In an interview yesterday, he said last year's Budget has led to an enormous deficit. "And unless new measures are taken it will grow beyond our capacity to contain it."

The Budget tended to reflate the economy by

creating more money for the people, but that this was now leading to inflation. "We need, with the introduction of next month's second Budget, to decelerate the process by putting on a tough brake."

"Last year we were dealing with a post-war Budget aimed at uplifting the living conditions of the majority of the people."

"All these measures had to be given braking measures this year, otherwise high inflationary rates will remain with us."

The second "People's Budget" due in July will have to give a new direction to this trend in the economy. Senator Nkala said: "We need self-discipline and restraint."

He explained that the Government had done everything it could but it must now be a case of everyone doing something for himself.

About the mini-budget introduced earlier in the year, he said: "It was the beginning of the era of constraint."

"The Government was in need of the 10 percent sales tax and the excise duty on luxuries like cool drinks, beer and cigarettes introduced through the mini-budget."

"But this was not enough to overcome the deficit and have the Government carry out its programmes. The ordinary people must now think of helping to pay for education, health, army and development programmes."

"The next Budget will set the pace — we will go back to the people we have tried to help in the first year of independence and ask them to stand up and be counted. They will have to generate the wealth needed to implement the income needed for these Government programmes."

"The people have to be receptive to all Government programmes. They cannot remain at the receiving end all the time. The rich have been forced to pay in many ways, now it's time for the poor to sacrifice and pay."

"We must do a little more after the next Budget, and show that we are doing something for ourselves. I, Nkala, have been accused of increasing prices. But these are the reasons."

'Medicine Hard To Swallow'

Salisbury THE HERALD in English 23 Jun 81 p 10

[Editorial: "Food for Thought"]

[Text] The Minister of Finance, Senator Enos Nkala, was not giving away any secrets when he said yesterday that next month's Budget would be a tough one. It is a point he has made before.

That the Government has done much to improve the lot of the poor in the past year there is no doubt. Great strides have been made in the fields of health, education, rural development and the integration of the army.

Yet the cost has been high. And somebody has got to pay for it. A start was made in the mini-budget of last January. But if the deficit is to be contained and inflation controlled another dose of the hasty medicine is inevitable.

Just how Senator Nkala plans to administer his mixture will, of course, be a matter of intense speculation. But he has made it pretty clear that at least some food subsidies may have to go.

The removal of such subsidies will unfortunately hit the lowest paid hardest, a fact which the Minister acknowledged when he said that it was time for the poor to sacrifice a little.

Let us hope that it will be a little and that employers will heed his plea and pay better wages in the wake of the withdrawal of subsidies.

If the war against poverty, disease and ignorance is to be prosecuted successfully we must all contribute to the best of our ability. Hard to swallow though it may be, Senator Nkala's medicine will be designed to help us do just that. Let us hope, though, that we will not need any repeat prescriptions.

CSO: 4700/106

ILLEGAL BORDER CROSSINGS REPORTED

Salisbury THE HERALD in English 20 Jun 81 p 7

[Text] THE number of people crossing illegally between Mozambique and Zimbabwe was "quite unbelievable". As many as 60 to 70 people were crossing through the Imbema valley, north of Umtali, every day, Umtali Magistrates' Court heard on Thursday.

The Controller of Customs and Excise at Umtali, Mr Kenneth Harper, told provincial magistrate Mr Ivor Waldeck that his department had arrested groups of illegal visitors, many of whom were bringing in goods to sell in this country. One group arrested this week was found with dried fish.

He was giving evidence during the trial of five Mozambicans who were arrested soon after crossing the minefield north of Farba border post at 6 a.m. last Friday. The five were convicted of contravening the Customs and Excise Act by smuggling in a variety of goods.

Ester Karinge Vandusi (12) pleaded guilty to bringing in 147 tins of herrings, valued at \$71. Stanley Renika (28), admitted importing 121 tins of fish, while two youths pleaded guilty to coming across the border with 27 2 kg boxes of prawns valued at \$950. The fifth person Luis Alberto (23), was found guilty of smuggling into the country a 6 kg tusk, valued at \$36.

Vandusi told the court: "When I brought these

items I intended selling them and wanted to use the proceeds to buy sugar and soap (to take back). There is an acute shortage of these items in my own country. I wanted also to have my baby receive treatment. I took my baby to hospital in Mozambique without success. I was advised to come here."

She said the goods were to have been sold in the Umtali area.

Vandusi and Renika were fined \$50 (or two months) and had a further three months with labour conditionally suspended. The youths were each ordered to receive six cuts and were also given suspended prison sentences of three months. Alberto was fined \$100 or three months and had a six-month prison sentence conditionally suspended.

MORE CARS BY END OF YEAR: NKALA

Salisbury THE HERALD in English 23 Jun 81 p 3

[Text] THE Minister of Finance, Senator Enos Nkala, says import controls will not be relaxed in the foreseeable future, but the shortage of motor vehicles will ease substantially by December.

Addressing the annual meeting of the Gatooma Chambers of Commerce and Industry he said that, although foreign aid had flowed into the country, reconstruction programmes had resulted in import requirements increasing correspondingly.

"But there is light at the end of the tunnel," he said as the Government was going ahead in the development of its infrastructure which would benefit the business community in particular.

The railways would electrify part of the main rail network between Gwelo and Salisbury to speed up traffic movement. More diesel locomotives were being bought and technical assistance being obtained to repair and service the existing fleet of locomotives in the near future, he said.

He said Mozambique was developing and improving ports and rail facilities, which would shorten the distance over which Zimbabwean imports and exports travelled.

Additional electrical energy requirements were being catered for by the

construction of the Wankie Thermal Power Station, which had necessitated expanding part of Wankie Colliery.

The Minister praised private enterprises for displaying confidence in the face of foreign exchange stringency.

Senator Nkala told a ZANU (PF) rally in Umfali on Sunday that the easing of the vehicle shortage was a result of his recent visit to the Far East.

"We will send people to Japan shortly to study the motor vehicle industry," he said.

He did not elaborate.

The ZANU (PF) secretary-general, Mr Edgar Tekere, told the same rally that humility in leadership was needed if the "revolution" was to succeed. Elana reports.

He urged Government Ministers to spend more time with the people rather than in expensive hotels and mixing with the rich, as that would lead to corruption.

MSIPA: SKILLS SHORTAGE REPORTS 'EXAGGERATED'

Salisbury THE HERALD in English 20 Jun 81 p 3

[Text] THE skills shortage in Zimbabwe has been exaggerated because many semi-skilled people, doing skilled work, were kept down by racist labour policies in the past, the Deputy Minister of Manpower Planning and Development, Mr Cephas Mupfema, said yesterday in Umtali.

But he told a meeting of workers' committees in Umtali, there were certain specialised areas, such as the aircraft industry, where there were shortages of skilled men.

Previous regimes had left a legacy of totally inadequate training of blacks. "In the plans of the settlers Africans were only suited to be hewers of wood and drawers of water," he said. Black education was designed to prepare the children for their role as unskilled workers.

What training had been done in the past three years was a result of declining immigration, call-ups of white workers and emigration of skilled men in the war and after independence.

At the end of February 65 percent of the 5100 apprentices were white, 28 percent black and 8 percent other races.

Whites were especially strong in the "technically sensitive trades" such as the aircraft industry. Just 3 percent of the one million workers were journeymen.

"To make it worse some of the skilled people have left the country," said Mr Mupfema, "and are continuing to do so. Some leave as soon as they have completed their apprenticeship." Most went to South Africa.

The manpower survey would help the Government formulate policies "to train, use and deploy skilled manpower... in order to attain genuine economic independence and progressive social development".

Once the present situation was known, plans could be made to develop training institutions "with particular attention being paid to the peasantry, who bore the brunt of the war, and many combatants who prematurely abandoned school to take up arms in the struggle."

"We intend to promote the machinery by which the working class in this country can develop and improve their skills, productivity and their general standards of living," he said.

Expatriates would only be allowed in when there was no Zimbabwean for the job. They would be recruited under local conditions and be understudied by a Zimbabwean, he said.

INCREASE IN NUMBER OF DOCTORS NOTED

Salisbury THE HERALD in English 20 Jun 81 p 7

[Text] ZIMBABWE had a net immigration gain of 25 doctors between January last year and March this year, the Minister of Health, Dr Herbert Ushewokunze, said here on Thursday night.

Addressing a meeting of the Manicaland National Affairs Association, he said the country had experienced a problem of an excess of trained personnel.

Between last January and March, 148 trained nurses and midwives had left the country, while 117 had immigrated. But although 67 doctors had left, 92 had arrived. There were now 4 608 trained nurses and 2 351 midwives in Zimbabwe.

"I do not regret the emigration because the reasons for their emigration were political. In the majority of cases we had promoted black people into decision-making positions and these nurses could not tolerate serving under black women," he said.

In a situation where the Government was seeking to reconquer a formerly irreconcilable forest, "we saw good riddance to bad rubbish", said the Minister, adding that it was his plan to train more than 2 000 village health workers, 700 health assistants and others.

Dr Ushewokunze laid emphasis on the Government's plan to develop

health services in rural areas, which had, hitherto, been neglected.

While the cities and towns—where 10 percent of the country's population lived—had sophisticated medical services, rural areas—where 80 percent of the population lived—

was underserved.

In future, doctors and nurses would spend periods of training "in the bush" where the need for them existed. Problems had arisen among white nurses at the Andrew Fleming hospital in Salisbury over this decision, with some saying they would rather move to South Africa than serve in the rural areas.

"These people were trained nurses using the taxpayers' money. It is their duty to go and work among 80 percent of the population," he said, adding that he knew he was incurring the disapproval of some people by introducing this measure.

MREWA DISTRICT 'WITCH-HUNTER' BANNED

Salisbury THE HERALD in English 23 Jun 81 p 1

[Text] THE Government has banned a spirit medium, Mr Siso Kapata Chikanga, from entering any of the former TELA after reports that he was conducting massive "witch-hunts" in the Mrewa district.

Announcing the ban in an interview yesterday, the Minister of Local Government and Housing, Dr Edilson Zvobgo, said that Mr Chikanga's activities were "a nuisance to public order and a threat to public peace."

He condemned "collecting money through the practice of witch-hunting".

The Sunday Mail reported that Mr Chikanga held a ceremony near Mrewa at the weekend at which he "smelt out" 200 alleged witches, spirits and evil forces among a crowd of 5 000.

Families were said to have been charged \$1 for each "witch" uncovered and 50c for each "spirit" or "force".

Mr Chikanga, it was said, claimed to have permission from the district administration for his activities.

Police said yesterday they had started an investigation into the alleged witch-hunting, but sources said they had been hampered by the fact that Mr Chikanga was a registered member of the Zimbabwe

National Traditional Healers' Association.

Zimbabwe's administrative secretary, Mr Taiso Benhura, confirmed this yesterday, but said that Mr Chikanga faced expulsion if the "smelling-out" allegations were proved.

Mr Benhura said that Mr Siso Chikanga should not be confused with Mr Brighton Chikanga, also practising in the Mrewa district, whom he described as a "famous nganga" involved only in traditional healing.

Meanwhile, Mr Walter Patanana, acting district commissioner for Mrewa, strongly denied Mr Siso Chikanga's reported claim that he was operating under a permit issued by local officials.

"It is not true," Mr Patanana said. "I never issued him with such a permit, and I have established that some of my staff did."

CURRENCY ALLOCATION INEQUITY REPORTED

Salisbury BUSINESS HERALD in English 25 Jun 81 p 2

[Text]

FOREIGN exchange allocations for imports, that have of contention gnawed every day by businessmen throughout Zimbabwe, have developed since 1965 to a fairly sophisticated level, but need amendment if equal distribution of employment and income is to be achieved.

It is nevertheless apparent that import control is heavily influenced by the Ministry of Trade and Commerce, whose criteria related to the need to maintain production and essential services.

Commenting upon the ability of new businesses to obtain an allocation the Commission observed that a commercial importer has to prove that he or she was able to procure supplies that would lead to a saving of foreign exchange. These supplies would have to be of comparable or better quality at lower cost than those of an established competitor.

A new industrial importer, on the other hand, would have to begin to produce a foreign exchange saving within 18 months.

The commissioners have therefore suggested four points for consideration:-

● The economy can now cope with larger balance of payments deficits, but additional allocations must not be made to areas which reduce employment, minimise the creation of new jobs.

● The present system does not give adequate priority for the promotion of employment or to the purchase of technology.

● It does not allow sufficient input from or on behalf of small-scale rural producers and so the Ministry may have to rework the existing guidelines to cater for this sector of the economy.

● Neither does the system appear to attach much importance to imports of machines or raw materials for the production of commodities mainly consumed by low income households.

FARMERS UNITE IN BID TO BEAT COSTS

Salisbury THE HERALD in English 25 Jun 81 p 9

[Text] A DEPUTATION of potato growers from north of Inyanga was in Salisbury yesterday seeking advice on how to form a co-operative to beat production costs.

The delegation presented a letter asking for help to the president of the National Association of Master Farmers Clubs, Mr Robinson Gapere.

Mr Costa Kafikira, chairman of the Tambovskuchenzera club in Bende, said the 90-member body was expecting a total of 4 000 pockets of potatoes weighing 15 kg each.

Interest in the area was growing, but farmers were perturbed by mounting production costs.

Mr Kafikira said that last season contract transport operators charged 60c to bring one pocket to the market in Salisbury and this season the charge had been pegged at 71c a pocket.

He said farmers were getting \$3.60 for a 15 kg pocket but the profit was barely \$1.60 after deduction of costs.

The club secretary, Mr Johannes Chitwe, said inquiries to the extension staff on the formation of co-operatives were referred to the Master Farmers' Association.

The club had affiliated to the association, whose officials would be at a meeting in Inyanga tomorrow to hear grievances.

Mr Gapere said: "We have advised the club to form a co-operative and are encouraging association members to concentrate on growing commercial crops suited to their areas".

© The Herald's Wednesbury correspondent writes that peasants in the area have set up 10 group development areas to enable them to share transport and other facilities.

Development areas are set up by people with similar interests who are willing to work for the advancement of those areas.

The district agricultural officer, Mr Joram Kwenda, said the peasants would now share high costs of moving their produce to market, caused by a shortage of transport.

He said that so far the peasant farmers had sold 700 bags of maize at a depot of the Central Mashonaland Co-operative Union at Wednesbury. A second depot was to be built this year at Dendanyura.

And because of a good harvest this year, some peasant farmers had applied for Grain Marketing Board cards, which would allow them to sell their produce directly to it, Mr Kwenda said.

DEMOBILIZATION PLAN OFFERS CASH, EDUCATIONAL OPPORTUNITIES

Salisbury THE HERALD in English 25 Jun 81 p

[Text] **A DEMOBILISATION plan offering soldiers wishing to leave the national army an allowance for up to two years plus opportunities for further education, training and employment, was announced yesterday.**

A spokesman for the Prime Minister, Mr Mugabe, said a demobilisation directorate, headed by Mr John Shoniwa, would be set up to train, educate and advise all those wishing to leave the army.

The directorate would fall under the control of the Minister of Labour and Social Services, Mr Kumbira Kangai.

A separate statement said about 30 000 men and women, either in the national army or about to be integrated, would be demobilised.

The spokesman said under the Lancaster House Agreement all combatants were being given the opportunity to serve in the national army and integration was still in progress.

"At present about 65 000 men and women are serving in the national army or are in assembly places awaiting integration," said the spokesman.

"This is a very much greater number than is needed for the country's regular army, and, indeed, more than the country's

economy can accept.

"Our country's resources and efforts must now be concentrated on peaceful projects and on maintaining a smaller, compact but very effective army.

"We have considered this matter with a view to offering ex-combatants an attractive and honourable alternative to service in the army and have decided on a demobilisation programme (following certain) general principles.

"For up to two years after demobilisation the ex-soldier will draw a wage corresponding with the money, food, accommodation and clothing supplied to him in the assembly points.

"We will advise and help those seeking employment, or who may wish to be self-employed, whether or not they have taken advantage of the training and educational schemes on offer."

The services of private and non-government organisations would be used as well as the Government's own resources," said the spokesman.

Mr Shoniwa, Zimbabwe's Deputy High Commissioner in London, had been recalled by Mr Mugabe to lead the directorate.

During the liberation war he was the ZANU (PF) chief representative in many countries including Egypt, Libya, Sweden and other Scandinavian states.

After last year's election he was posted to K0 VI Army Headquarters as a brigadier before being appointed to his London post.

COURT RULES 'SPV FUND' THEFT TAX-FREE

Salisbury THE HERALD in English 25 Jun 81 p 3

[Text]

THE Appeal Court has decided that a former senior official in the Rhodesian Government who converted \$68 000 from a secret operations fund to his own use, does not have to pay income tax on his ill-gotten gains.

The man, believed to be one of a number who appeared in secret trials before the Lancaster House conference, is referred to in a recent Appellate Division judgment simply as "G".

The judgment was made on an appeal by the Commissioner of Taxes against a Special Tax Court ruling that the man did not have to pay income tax on the money.

In the judgment, the Chief Justice, Mr Justice Fieldsend, said that over a period of four years, "G" had been entrusted with funds for secret Government operations.

During this period, he took more money than was legitimately required for official purposes and kept it for himself, either putting it into his bank account or buying goods for himself. The total amount taken in this way was \$68 000.

He was convicted and sentenced to a period in jail, part of which was suspended on the condition that the money was repaid. The whole amount was, in fact, later repaid.

After the trial, the Income Tax Department assessed the man for tax on the \$68 000, in terms of the Income Tax Act.

"G" appealed to the Special Court, which decided he did not have to pay.

The Commissioner of Taxes in turn appealed against the decision of the Special Court.

Mr Chris Anderson, for the Commissioner, submitted that the man was to be taxed on his gross income within a given period. This, he said, included every amount received or accrued during any tax year, and that covered the money he stole.

Mr Adrian de Bourbon, for "G", argued that that money the man took never became his, despite his intention to treat it as his own. It was therefore never received by him in terms of the definition in the Income Tax Act.

Mr Justice Fieldsend, who described the appeal as "a novel and interesting question", said that in his view the man did not "receive" the money — he stole it.

The Government at the time never intended that any of the money paid to "G" was his to do with as he liked.

It was paid to him to be applied for a specific Government purpose, and therefore the man did not receive it on his own behalf or for his own benefit.

"In my view, therefore, it did not fall within his gross income and he should not have been

taxed on it," said the judge.

He accordingly dismissed the appeal and also ruled that "G's" costs in the case be allowed as a deduction.

Judge of Appeal Mr Justice Barro and Acting Judge of Appeal Mr Justice Goldie concurred.

EX-UNION BOSS WINS \$8,000 IN DAMAGES

Salisbury THE HERALD in English 25 Jun 81 p 5

[Text] MR Howard Benier Bloomfield, the former president and general secretary of the Associated Mine Workers Union, was yesterday awarded damages of \$8 000 by the High Court, Salisbury, against Mr Webster Gwekerere and the Zimbabwe Mine Workers Union, for defamation of character.

The action was brought originally by the AMWU and Mr Bloomfield against the ZMWU, Mr Gwekerere, who is president of the union, and against the Zimbabwe Broadcasting Corporation.

It was brought after defamatory remarks made by Mr Gwekerere in a radio broadcast.

Two statements defamatory of Mr Bloomfield were made on a radio programme on April 5 and repeated the next day by Mr Gwekerere at a meeting held at Arcturus Mine.

They were: "Bloomfield earns \$30 000 a year which he steals from the 400 contributions paid by the workers" and, "Bloomfield has been an habitual thief and is now finished," the court was told.

In his judgment, Mr Justice Beck said that Mr Bloomfield (60), became president of the AMWU in 1953, and its general secretary in 1961, and held both of these posts until his retirement in May this year.

In his various capacities, but particularly as

senior officer-bearer of the AMWU, he had worked closely with the Government and enjoyed the highest confidence in his integrity.

He had administered very large sums of money on behalf of the AMWU's 15 000 members. His services earned him decorations from the former Government of Rhodesia and from the British Government, said the judge.

The allegations were widely disseminated and "are grievously defamatory of Mr Bloomfield in

the field of endeavour which has been his life's work, and in which he has enjoyed an unsullied reputation for honesty," he said.

He added: "The defamation is particularly scurrilous in that Mr Bloomfield's dishonesty was said to have been not only great, but at the expense of the very people whose interests it was his duty to protect."

The allegations were not made impetuously, but were deliberately persisted in and repeated the next day.

He agreed with Mr Adrian de Bourbon, who appeared for Mr Bloomfield, that the case called for an award which would both punish and deter, said the judge.

In addition to the \$8 000 awarded to Mr Bloomfield, Mr Justice Beck ordered that Mr Gwekerere and the AMWU to pay the costs of the suit.

"Neither Mr Gwekerere or any other official of the AMWU, which is an unregistered union, attended court to oppose the suit."

CRISIS AHEAD, WARNS DAIRY CHIEF

Salisbury THE HERALD in English 25 Jun 81 p 3

[Text] Zimbabwe will face a shortage of every dairy product if the present trend of consumption continues without any attention being paid to the development of the industry, the chairman of the National Association of Dairy Farmers, Mr E. W. Kirby said.

Milk production in this country had been practically static for the last five years, with minor variations either way, he added.

But now deliveries to all urban areas had been extended, and wages had gone up considerably over the last 18 months, with the result that liquid milk sales had increased dramatically and this had led to a reduction in cheese and butter production.

Mr Kirby, who is one of the architects of the \$37 000 000 integrated scheme for restructuring the dairy industry, explained yesterday that the first avenue open to Zimbabwe was to increase milk production in the existing producer herds.

To this end, the association and the Dairy Marketing Board had made proposals to introduce a bulk milk handling scheme which would relieve producers of the problem of delivery of milk daily to the dairy.

"This has been effective in increasing production in other parts of the world: in that a producer normally puts in a tank larger than he requires and as he has to pay for running it, he sets about filling it," said Mr. Kirby.

This proposal was accepted by Government and taken to Zimcord, where quite a few potential donor aid countries showed interest, and this was now being followed up.

It was planned to build the herd in the peasant sector by increasing the number of heifer calves (milkers) born through a "super-ovulation" technique.

Mr Kirby said it had been agreed to start a pilot scheme to establish if fertilised ova (chibereko) from multiple flushed cows could be successfully transplanted into indigenous cattle.

"The technique of embryo transplants is being successfully used throughout the world as a means of genetic improvement," he said.

CSO: 4700/106

LOSS OF TOURIST TRADE DEPLORED

Salisbury THE HERALD in English 23 Jun 81 p 10

[Editorial: "Empty Beds"]

[Text] Many empty beds in Zimbabwe's tourist hotels, except at brief peak periods, plus a new campaign by the major hotel group to attract local people to holiday areas, show that the tourist industry has a long way to go before it can start to feel satisfied.

The position is improving, as this same hotel group has indicated--for the year ended March it had cut its losses to \$2.3 000 compared with \$2 million for the previous year. But the main trouble remains--the falling off of South African visitors is not compensated financially by greater numbers of Zambian and other neighbouring tourists.

The new direct air links between Zimbabwe and London and Frankfurt should make a difference, but in this connection Kenya is a competitor to be reckoned with.

Although the country is conscious of international crooks and smugglers, entry at airports should be as smooth and quick as possible. This is not now possible--Salisbury needs its new international air terminal sooner than it can be built.

The country has to make a strong and sustained effort to get the tourists in for a reasonable period. It has to go out and sell itself to the world, and spend money before earning it.

The new charges for accommodation in national parks could given Zimbabweans second thoughts about taking them even for a long weekend. Another blow to tourism.

CSO: 4700/106

CLAIMS OF COTTON BOYCOTT DENIED

Salisbury THE HERALD in English 24 Jun 81 p 9

[Text] Community leaders and elders living near the Tilcor Antelope Estate, Kezi, have denied allegations that they organised the people to boycott picking cotton on the estate.

The allegations were reported on Monday by the Minister without Portfolio, Dr Joshua Nkomo, who made a whistle-stop trip to Kezi on a fact-finding mission after, he said, he had been informed "by my colleagues in Government" that certain people in the area had "politically motivated" local people to boycott the season's cotton crop.

Dr Nkomo said this had led the Tilcor management to consider ploughing the crop under, because people refused to pick it.

In reply to Dr Nkomo's statement, several people, including district councillors, vehemently denied ever having organised a boycott.

They told Dr Nkomo that conditions of service at Tilcor had forced people to withdraw their labour as a protest.

They advanced four major factors as having contributed to the people's refusal to work for Tilcor:

--That the estate management discriminated against local people when it came to employing office staff.

--That the pay rates were too low.

--That pickers remained as "casual labour" even after five years of service.

--That men and women used the same toilet facilities.

They also told Dr Nkomo that, since Tilcor had been established on a communal land, they felt that the community was not being adequately compensated for the loss of its grazing land.

They were also worried that Tilcor continued to clear more communal land for development.

Dr Nkomo said he would report back to the authorities, but urged the people, in their own interest and in that of the country, to help in picking the crop while he took up their grievances with the Government.

A reporter and a photographer who visited the estate yesterday to find out more about the matter, were rudely hustled out of the estate office by a man who said he was the estate manager.

When asked if he would comment on the allegations against his management, the man said: "No comment" and then ordered: "Out! Out of my office!"

CSO: 4700/106

COMPANY TAXATION TO CLOSE LOOPHOLES

Salisbury BUSINESS HERALD in English 25 Jun 81 p 2

[Text] A MAJOR review of company taxes is called for by the Commission, which considers the present rates too low and full of loopholes both for the companies and employees who enjoy fringe benefits.

Special initial and investment allowances mean that the effective tax rate on gross operating profits is only about 25 percent, although this assumption is based upon figures for 1977 and income tax charged in the 1978 financial year.

The commissioners calculated that construction and manufacturing companies paid 25 percent while those in the agricultural, forestry, mining and quarrying, hotels and restaurants, transport and communications paid a maximum of 16 percent.

Mining companies appear to be even more fortunate in that they are also allowed to claim depletion allowances.

The suggestion preferred to come to terms with the problem is to change the tax base from taxing profits alone to taxing profits, imports, royalty payments and management services with a particular emphasis upon curbing transfer pricing

— over or under invoicing sales to and from foreign-owned parent companies.

"This would reduce tax avoidance incentive to over-invoice supplies and reduce tax losses through over-invoicing. The actual rate of tax would be pegged at a level much lower than the rate levied on profits alone to generate the same amount of revenue," say the commissioners.

The side effects of such a levy would include the shifting of the corporate tax burden away from companies using mainly local resources to those with high import needs; stimulation of import-substitution industries thereby increasing employment; and a reduction of tax on locally produced goods.

Looking at the picture as a whole, the commissioners made further proposals as it was apparent that some sectors of the economy were very lightly taxed.

Rather than increase the rate of tax, they think it would be more equitable to limit deductions from gross revenues, as surpluses could be taxed more evenly across the sectors of the economy.

The commission suggests that the company tax system be used to discourage fringe benefits for executives. For instance, if all cash wages were de-

ductible from gross revenues of companies, but perks were not, then that company would have an incentive to convert the income package into cash form, and individuals would have to face their full tax obligations.

It also thinks that the system should be used to discourage cost raising. Heavy advertising and promotional spending, the manufacture of numerous "competing brands" by a single manufacturer are devices used to defend an established enterprise against an emergent rival, say the commissioners.

This type of behaviour can only flourish when such expenses can be offset against tax. By excluding them from the list of deductibles revenue will benefit.

Investment allowances, the commissioners continue, are at present probably having an adverse effect upon tax and employment and for this further reason they reiterate their call to limit deductions from gross revenues.

They are none too keen either on tax concessions for implementing training schemes as such a move would give companies "no positive incentive to expand training programmes and their development could be slow and uneven."

Allowances for relocation of industries are considered a high cost method of securing minimal advantage largely

because the sort of enterprise that is located in specified "growth points" are those which would have gone there anyway.

Or the concession required to relocate is so large that the revenue base of the corporate tax system has to be altered very materially.

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